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Daily Report
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Argentina's Menem Opens International Drug Control Conference

PY2104173893 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1204 GMT 21 Apr 93

[Text] San Carlos de Bariloche, 21 Apr (NA)—President Carlos Menem said the production, trafficking, sale, and consumption of drugs "is one of the most serious problems society is now confronting."

In this regard, the president said that "the only possible solution" for "definitively terminating this scourge" is "a commitment by the entire community."

Menem made these statements yesterday in a speech with which he opened the 11th International Conference for Drug Abuse Control, which is being attended by representatives from several countries who will analyze the problem of drug addiction and trafficking.

He said: "We should be aware that we have to reaffirm our devotion to solidarity, our commitment to those values that—as Pope John Paul II put it—promote life, values that reflect man's dignity and devotion to build a world in peace and justice."

In this regard, the president said that "to this end it is also necessary to have responsible officials who are responsive to people's problems and can confront such problems with strong political decisions, implementing plans for orienting preventive action, assistance, and control over illegal drug trafficking."

After maintaining that the government "does not want drugs to jeopardize the democratic system, as is happening in many countries in the continent," Menem said that "since 1989" his administration "has given tangible evidence of its determination to strongly fight this scourge."

He concluded by saying that "today, youths are the main target of traffickers. Our duty as parents, as citizens who are committed to human dignity, is to preserve and warn the adolescents of today and tomorrow, giving them comprehensive formation, spiritual formation, so that they may reflect and thus choose the right path."

Space Conference of the Americas To Be Held 'Next Week'

PY2204020693 Santiago Radio Cooperativa Network in Spanish 2300 GMT 21 Apr 93

[Report by Carmen Castro]

[Text] Researchers from all over the world will meet in Santiago next week to share with each other their experience in space technology and discuss ways of applying the latest developments in this field to turn our modern cities into more livable places. The second Space Conference of the Americas will provide hope for thousands, perhaps millions, of illiterate people who will be able to have access to education on television. It may very well be the last resort in finding cures to new diseases that defy solution despite the great scientific advances achieved over the last few years.

Representatives from 35 different countries have already submitted 65 papers on different subjects such as nuclear physics, computer sciences, chemistry, and space technology. Ambassador Raimundo Gonzalez, chairman of the Chilean delegation and coordinator of this conference, commented on the significance of this event. He said:

[Begin recording] I believe that this conference is of utmost importance, as it will put state-of-the-art space technology at Chile's disposal and indeed at the disposal of all Latin American countries. This technology can be applied to detecting natural resources, improving telecommunications, preserving the environment, and providing rural education by means of an open school system, which would allow a small rural school in the middle of nowhere to have access to education through a television screen. This is proof that we are not talking about the distant future but about here and now and about how we can make good use of technological developments to solve social and economic problems without leaving aside moral standards, which we are committed to uphold. [end recording]

The projects on the environment, education, and health that will be studied at the space conference stand a good chance of becoming reality, as a special fund was established at the Rio de Janeiro environmental conference to finance projects seeking to improve the standard of living on our planet.

Cuba

Raul Castro Grants Interview 'After 30 Years'

FL2204021293 Havana Radio Rebelde Network in Spanish 2300 GMT 21 Apr 93

[Text] After 30 years without ever granting an interview to a Latin American newspaper, Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR], agreed, following two years of pleading, to a request by Mexican newspaper EL SOL journalist Mario Vasquez Rana. We now feature a segment of that interview, a first installment that was published today in GRANMA.

Raul says that he has gotten particularly used to Fidel, who is clearly a master at this, being the one who grants interviews to the foreign press, which is usually interested in talking with the top leader of the revolution.

Raul Vasquez Rana inquires about Raul's reputation as a terrifying man. The answer is eloquent: The fear is of the Cuban Armed Forces, which have been able, under harassment 24 hours a day for over three decades by every U.S. Government, to successfully defy, with the Interior Ministry, the CIA's criminal plans.

The question-and-answer session continues. The journalist touches several vital aspects of his subject's life. What does a man who is so close to the leader of the revolution, who also happens to be his brother, feel? Raul answers: Many feelings are felt. To be Fidel's brother is a privilege. He has been my hero since I was a child.

In a rushed synthesis we hear of the battle begun over 30 years ago, the Moncada, the imprisonment, the exile, the Granma expedition, the beginning of the guerrilla life, the historic meeting at Cinco Palmas in Sierra Maestra when Fidel asked how many rifles had been brought along and upon hearing "five" stated: The two I have with me make seven. Now, we surely win the war!

Raul acknowledges that it was his brother Fidel who introduced him to communism with books and explanations of diverse problems back then. He adds that for him it has been a great honor to be alongside Fidel and like millions of Cubans, if it became necessary, he would die next to the Moncada leader.

The interview granted to the Mexican newspaper EL SOL stresses that each Sierra Maestra dream has been surpassed. Faced with the statement that the Cuban economy is still in very poor shape, it is stated [as heard] that today's Cuba is nothing like the Cuba before the revolution. In this economy, accomplishments are within reach despite the uneven exchange that industrialized countries impose on Third World countries. New economic resources have emerged in Cuba such as the merchant and fishing fleets and the mechanics industry. The malady of unemployment has been abolished; the transportation, communication, and port infrastructure has been developed; electric service has been expanded throughout Cuba, and agrarian tasks have been mechanized. The process of rectification begun in 1986 puts Cuba in top condition to make a leap in developing the economy.

Radio Rebelde's Exclusivo has presented a segment of the interview with Army General Raul Castro, FAR minister, by Mexican journalist Mario Vasquez Rana, a first installment of which was published this morning in GRANMA.

Raul Castro Presents Award to 'Best' Naval Unit

FL2104144793 Havana Radio Rebelde Network in Spanish 0900 GMT 21 Apr 93

[Excerpt] The Central Navy Base in Cienfuegos was named the best unit of the Revolutionary Navy for their results during the emulation period of 1991 to 1992. The award was presented by Army General Raul Castro Ruz, Revolutionary Armed Forces minister, to Naval Captain Roberto Gonzalez Loaces, chief of the Central Navy Base, during the military council of this body. [passage omitted]

Navy Units Conduct Exercises off Matanzas Northern Coast

FL2104151293 Havana Cuba Vision Network in Spanish 0000 GMT 21 Apr 93

[Text] Revolutionary Navy units are conducting tactical exercises off the northern coast of Matanzas as part of the combat preparation program for 1993. These activities are being conducted in coordination with the provincial defense council, forces of the provincial defense system, and detachments of border guard troops.

The exercises include sailing the sea in daylight, at night, and under complex conditions; pursuing submarines; field firing; and ramming, docking, and underway maneuvers. The sailors thus perfect their knowledge, habits, and ability to carry out such missions. These exercises are dedicated to the 30th anniversary of the Revolutionary Navy, the 32d anniversary of the battle of the Bay of Pigs, and the 300th anniversary of the city of Matanzas.

ANPP President Meets With Foreign Ministry Specialists

FL2104204993 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Apr 93

[Text] A working meeting between Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], and Ministry of Foreign Relations [Minrex] specialists ended just moments ago at the international press center. Journalist Roberto Cavada was present and now gives us the details.

[Cavada] Foreign Ministry employees talked with Alarcon de Quesada for approximately two hours,

during which Alarcon addressed any and all doubts among Minrex employees regarding changes to our governmental structure. He also talked about the future work of the legislature and its members.

Alarcon explained that the Administrative Councils are now emerging and that these councils are in charge of accounting for their management to the provincial and to the municipal assemblies.

Regarding the legislature, Alarcon explained that it should work year round, not just twice a year, but that neither should it go to extremes with long periods of meetings as is the style in several parts of the world. He explained: The solution lies in the work committees that may be formed.

In this connection, the first two such committees will be made official within the next few days: one, of a temporary nature, that will be in charge of energy matters, and another that will oversee the people's councils and remaining government structures. The latter committee is of a permanent nature. Indeed, these two issues will be on the agenda for the ANPP's period of meetings next July.

Ricardo Alarcon said that the deputies and provincial delegates must sustain their link and relations with the population that elected them, voted for them when they were candidates, without repeating the ideas used last February during the election process. Alarcon said: We would like to have the deputies participate in all aspects of governing [las instancias gobernativas] the country, from a delegate's rendering of accounts to the ANPP itself.

In closing the meeting, Foreign Minister Roberto Robaina Gonzalez thanked Alarcon for his willingness to address the employees of (?Robaina's) ministry. Robaina said this meeting and those that will follow in the coming days are necessary because Cuban foreign policy begins with what the ministry, to the extent that it is more familiar with our reality, can do internally, for the Cubans themselves.

Foreign Ministry's Strategy Viewed

FL2104172393 Havana Radio Rebelde Network in Spanish 2300 GMT 20 Apr 93

[Commentary by Roberto Cavada]

[Text] Several days ago I commented, during this same newscast, on the outlook regarding the work of the Ministry of Foreign Relations [Minrex], a strategy intended for and directed at not only the outside world but at our country too, an idea that Foreign Minister Roberto Robaina Gonzalez defined as a national Minrex.

For the one initiative as much as for the other, Robaina said, it is necessary, however, for our diplomats and representatives, the men and women who conduct international politics, to have profound and full knowledge of our reality and our internal situation. And in less than two weeks, these words have begun to be put into practice.

A few hours ago, the Foreign Ministry talked, at the international press center, with the president of the National Institute of Tourism [Intur], Comrade Rafael Sed Perez. Each and every one of the concerns we Cubans have regarding tourism on our island was discussed there, in a very pleasant and informal atmosphere. We learned about the results regarding hard currency, which tourism is already bringing in, for its self-financing and for the contributions to the national economy that it makes as an institution.

Questions were asked about the concern a great many people had regarding the ecological repercussions this accelerated thrust to build rooms could have. To this, Sed Perez answered that everything was being done with the greatest care, analyzing each one of the projects and work plans with the Academy of Sciences and other institutions entrusted with protecting the environment.

The Minrex specialists this afternoon also expressed concern for the social climate in which international tourism unfolds, as well as the cleanliness of our streets and sites, a task that, as Roberto Robaina said, also concerns the Foreign Ministry a great deal. These days, the Foreign Ministry is working hard to finish cleaning up and restoring all its outside areas, not only because they are the external face that the world sees but because the Foreign Ministry is very close to a hotel, the Presidente, and to a neighborhood that deserves a setting, a lawn, a park, and a Foreign Ministry that will be the pride of all Cubans.

I confess that sharing the work with the diplomats or foreign policy specialists has allowed me to, these days, confirm that the work proposals are not just paragraphs filling reports. These are ideas ranging from meetings of this kind with ministers and authoritative voices on different topics to meetings that take place in the Foreign Ministry's very gardens with the neighborhood children to discuss things as important as the symbols of the fatherland, for the nearest example, the coat of arms—the meaning of the key to the gulf, of the setting sun on the horizon, and of many more interesting things in that national coat of arms.

Roberto Robaina concluded: The best symbol of Cuban foreign policy is what we will be able to show the world of our true reality.

CTC Secretary General on May 1 Commemoration

FL2104142093 Havana Radio Rebelde Network in Spanish 0900 GMT 21 Apr 93

[Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC] said that the commemoration of 1 May, International Workers Day, will be a

reaffirmation of the patriotic ideals of the Cuban people. In a meeting of the CTC secretariat, the Politburo member said that the proletarian activity will not have a festive character but it will have a productive and political nature.

Ross added that there are tasks that cannot be postponed that demand maximum support and among them he mentioned the potato harvest; the sugarcane recovery; the cane cutters' perseverance in the sugar harvest; the preparation for planting beginning with animal power; and other vital issues.

He also said the event will be a call to the international community to rejuvenate their support and reaffirm that the difficulties that the country faces have been imposed by the United States, the collapse of the socialist bloc, the disappearance of the Soviet Union, and adverse weather.

Weather Stops Holguin Province Sugar Production

FL2104141593 Havana Cuba Vision Network in Spanish 0000 GMT 21 Apr 93

[Text] The agroindustrial [words indistinct] stopping the mills to repair and prepare the equipment. As soon as the weather in that province improves, they will continue sugar production.

From January to March of this year, Holguin Province received twice the (?normal) amount of (?rainfall). We have been informed by the sugar harvest department of the Sugar Industry Ministry that in the past 32 years, such a situation has occurred at this time of the year only once, in 1978. So far in the April, Holguin has registered an average of 100 mm of rainfall. If one considers the fact that there was still residual humidity, plus the water that fell throughout the province on Saturday night [17april] [words indistinct] 90 percent of the [words indistinct] mechanized, one can understand to what extent the work (?of the harvest) is affected in this eastern part of Cuba.

Agroindustrial workers are not pausing, however, and are taking advantage of the halt to, among other tasks, do cleanups that were pending, make repairs, and prepare equipment so as to be able to, as soon as conditions permit, continue producing sugar.

[Begin recording] [unidentified speaker] And, from here on, we will all devote ourselves to agricultural tasks, basically planting cane. As of now, some 20 men will go, and as...

[Reporter, interrupting] One hundred twenty?

[Unidentified speaker] One hundred twenty men as of now. And this figure could triple by adding one more shift, for we plan to wind up a certain number of [word indistinct] aimed at preparing ourselves so that if the rain begins....[corrects himself] continues, our sugar production will not basically be affected; that is, despite the fact that we are at a standstill, we are preparing to finish the harvest having fulfilled our sugar plan, which is the moral commitment we have made to the party and, fundamentally, to our commander in chief. [end recording]

Australia Mill Near Bay of Pigs Sugar Harvest Noted

FL2104161593 Havana Cuba Vision Network in Spanish 0000 GMT 21 Apr 93

[Excerpts] The youth [words indistinct] campaigns per work site and recalled a piece of history, living it themselves through their deeds. [word indistinct] site where [words indistinct] the cane belongs to the Australia Sugar Mill, near the Bay of Pigs and the site of historic actions. But now another kind of battle is being waged: the sugar harvest.

The protagonists are 157 young people from Matanzas, members of the UJC's [Union of Young Communists] national bureau, and invited artists and athletes. [passage omitted]

Again, the Australia Mill is in the news. The rattle of machine guns has been replaced by the caravan, which makes a stop to recognize in its ranks 32 new members and declare (?open) a cane camp that its inhabitants have turned into a hospitable site. [passage omitted]

At 1730, UJC First Secretary Juan Contino addressed the elders, in the name of the young people.

[Begin Contino recording] We have inherited the pride of those [words indistinct] (?inspired) by Fidel, with Fidel at their head, as one more fighter among the fighters. We have new battles as complex [words indistinct] to make [words indistinct] of Cuba, a Bay of Pigs out of every work post, a Bay of Pigs out of every student desk, a Bay of Pigs out of every (?course). We should feel bad when one young person is more productive than another. The productive youths are acting like the people acted at the Bay of Pigs, when people advanced toward the enemy with no shaking in the legs. [end recording]

At this epic beach, it is confirmed that our freedom is worthwhile. Like the poet said: It is even worth giving up the ghost for. And even so, it would never be enough.

Commentary Views Role of Religion

PA2104173793 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Apr 93

[Roberto Morejon commentary]

[Text] For many years Protestant Cuban clergymen have (?established new trends in socialist teachings) that fit in perfectly well with the Cuban process and that are characterized by a distinctive native mark. A considerable number of Presbyterians, Episcopalians, Methodists, and Baptists, all of whom are Protestants, have

advocated that people become a part of the society in which they live and commit themselves to their neighbors as Christians.

Except for a few substantial contradictions between the Cuban revolution and the Catholic Church hierarchy, [words indistinct] ideological beliefs, the door has opened for believers in Cuba to exercise their religious rights. Evangelicals and nonbelievers throughout these years have defended ideas learned [words indistinct] such as brotherhood among people, the rejection of selfishness, and the observation of austerity, especially in times like these.

A high sense of social responsibility has also brought believers and nonbelievers together, and they can be seen doing farm work together under the hot sun. As a logical result of a process observed by the rank and file, Cuban voters decided with their secret and direct vote that among the new deputies would be Baptist pastors Sergio Arce and Raul Suarez.

Cuban journalist organizations have not been indifferent to the dialectic relationship between evangelical Christians and their surroundings. If the supreme interest of a believer is the preservation of socialism, he can be a member of both adult and youth political vanguard groups.

Thus it is possible for Cubans to be united in an appropriate atmosphere as guaranteed by the Constitution. According to the reforms introduced in 1992, all religions and beliefs must, by law, be regarded equally.

Among all the religions represented in Cuba, the Protestant churches and ecumenical movements have led the way in teaching people how to enrich the spirit while remaining in full contact with our social reality, which they are certainly helping to transform.

Chinese Investment in Latin America Exhibit Opens in Beijing

FL2104205893 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Apr 93

[Text] In one of his press agency cables from Beijing, Rolando Jaime, the PRENSA LATINA correspondent in the Chinese capital, reports that a new exhibit [vitrina] related to the possibilities for Chinese investment in Latin America opened its doors this week beginning with a seminar attended by exhibitors from our country and other nations of the subcontinent.

The seminar, which ends next Friday [30 April], is jointly organized by two sections of the Chinese Foreign Economic Relations and Trade Ministry and includes 160 Chinese businessmen from 150 corporations. In addition to Cuba, commercial counselors from the Argentine, Brazilian, Colombian, Ecuadoran, Chilean, Mexican, Peruvian, and Uruguayan Embassies in Beijing are participating in this forum.

(Luo Wiechen), the Trade Ministry's director for America and Oceania, told PRENSA LATINA that the seminar is being held essentially to show Chinese enterprises the situations in various markets and what kind of climate there is for the placement of capital, in this way also expanding their knowledge of Latin America as an area.

The seminar, ongoing in Beijing, reflects a new outlook increasing trade exchanges between China and Latin America, which last year reached the record sum of $2.975 billion, including both imports and exports.

World Food Program To Send $2.3 Million in Aid

FL2104132293 Havana Radio Progreso Network in Spanish 1100 GMT 21 Apr 93

[Text] A donation of 5,400 metric tons of wheat flour, more than 400 tons of vegetable oil, and an equal amount of beans should arrive in Cuba around the beginning of May. A letter of intent was signed in Havana by Ernesto Melendez, minister president of the State Committee for Economic Cooperation, CECE, and (Yousef Pluwat), director of operations of the World Food Program in Cuba.

(Pluwat) reported that, including transportation costs, the donation amounts to $2.3 million and is for 150,000 people affected by flooding and rain, which lashed the island in March. After signing the letter of intent, Melendez thanked the global institution for its rapid response, which as part of its duties confirmed the damages caused by the weather phenomenon.

Dominican Republic

Armed Forces Investigating Charges of Soldiers Smuggling to Haiti

FL2104204893 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 21 Apr 93

[Text] The Armed Forces secretary revealed that the institution is investigating charges by the Barahona Diocese Bishop that Dominican soldiers are participating in smuggling goods over the border into Haiti. Lieutenant General Constantino Matos Villanueva said that a high-ranking commission is conducting investigations to determine the validity of the charges of Monseigneur Fabio Manuel Toriba. Lt. Gen. Matos Villanueva said that Dominican military high command is always alert to preventing discipline problems within the ranks of the Armed Forces.

On the other hand, the military leader said that for now, there is no need to increase military vigilance in the border zones because absolute control of the area is being maintained. Gen. Matos Villanueva spoke upon receiving a fleet of vehicles donated by the U.S. Government.

* Economist Reviews 1992 Economy

93CA0101A Santo Domingo EL SIGLO in Spanish
12 Feb 93 pp 8-D, 5-D

[Text]

Introduction

The program of economic adjustment, which began at the end of 1990, ended with the signature of a "Stand By Agreement" with the IMF in October 1991 and, which continued throughout 1992, brought very satisfactory results for the Dominican economy during the year. Perhaps the most positive aspect was the fact that Dominican political figures have understood that it is possible and appropriate to allow prices to move freely if balanced fiscal and controlled monetary policies are followed.

In this sense what happened to the Dominican economy in 1992 contrasts with the difficult situation which existed in the country during 1989 and 1990, as a consequence of an economic policy based on the false belief that inflation stimulates domestic consumption and, therefore, production. For this reason it is possible that the lesson learned, at a high cost to society, may serve as a guide to the conduct of economic policy for a relatively long period of time.

By way of introduction another aspect which should be pointed to is tne situation involving the external sector. Although it has benefited a great deal from the dynamism of tourism and the free trade zones, during 1992 it showed signs of deterioration, due to a decline in exports and a rapid increase in imports. Correcting this external deficit will no doubt be the most urgent problem which must be dealt with to make it possible to continue enjoying the economic stability of the past two years.

Behavior of Production

According to preliminary, official figures, Gross Domestic Product (GDP) at constant prices grew by 7.6 percent during 1992. Although this growth can be considered highly satisfactory, it is important to point out that it leaves national production practically at the same levels as in 1989, due to declines of 5.4 and 0.9 percent in GDP in 1990 and 1991, respectively.

At the same time, if we take into consideration the fact that the Dominican population is growing at about 2.5 percent annually, the result is that per capita GDP at the end of 1992 was at a much lower level than in 1989. For this reason a substantial segment of the population continues to complain about the deterioration in the quality of life, despite the fact that, from the macroeconomic point of view, the country had a significant recovery in 1992. Both of these statements are true.

Unless, in addition to the foregoing, we take into consideration the fact that during the past few years there has been a marked deterioration in the distribution of income, we will find ourselves confronted by the second most important challenge which the Dominican economy will have to deal with in the next few years: the implementation of specific policies to reduce the extreme poverty which a substantial sector of the population has been suffering from.

The sectors which had the greatest growth in 1992 were electricity and construction, with 29.9 and 24.7 percent, respectively. In the case of electricity, the improvement in supply has been clear. Regarding construction, it is enough to point out that in 1992 the government earmarked 6,650 million Dominican pesos for capital expenditures, particularly in the construction of housing, hydroelectric projects, and aqueducts.

The recovery of manufacturing activity (excluding sugar) was equally significant. In 1992 manufacturing grew by 13.9 percent after two years of depression. At the same time transportation improved by 12.7 percent, while communications grew by 11.3 percent.

Nevertheless, agriculture, with a recovery growth rate of barely 3.3 percent, continues to be the productive sector which presents the greatest problems and where there is an evident need to change basic policies and the legal framework impacting on them. Regarding the mining sector, for the fifth, consecutive year this area showed the greatest decline in growth ever recorded, amounting to 18.5 percent in 1992. The setback suffered by the Rosario Dominicana Company was the principal factor affecting this situation, although adverse developments also took place regarding the international prices of ferronickel.

Finally, we should point to the fact that tourism has been the productive sector which has reflected the greatest dynamism in the last few years and has been the greatest generator of foreign exchange income. However, this sector still does not appear separately in the national accounts of the Dominican Republic, which shows a defect and a failure to bring our accounts up to date.

So that we may have a very general idea of what the tourism sector accounts for at the present time, it is enough to point out that, according to the statistics of the Secretariat of State for Tourism for June 1992, 1,134 additional hotel rooms were opened, over and above the total in June 1991. In the last few months of 1992 an additional 1,148 rooms were opened. As a result the country ended 1992 with about 23,792 hotel rooms, the largest number in the entire Caribbean Sea area.

At the same time, in 1992 the occupation rate was about 70 percent, which made it possible for income in foreign exchange to reach close to $1.0 billion, or more than 12 billion Dominican pesos.

The External Sector

As we pointed out in the introduction to this report, both the growth of the economy, foreign exchange stability, and future inflation are going to depend fundamentally on the behavior of the external sector. It is to be expected

that highly satisfactory monetary and fiscal policies will continue to be followed, for it would be absurd to change what has produced such good results.

Exports

According to preliminary figures, during 1992 exports of goods barely reached $565 million, the lowest figure recorded by the country during the past 18 years. Many factors caused this discouraging result.

In the first place the international prices of coffee, cacao, and ferronickel continued their downward trend, reaching levels which were not profitable for producers of these commodities. This depressed production of these commodities. Regarding sugar, the situation facing the CEA [State Sugar Council] continued to deteriorate in 1992 and, consequently, production by this important consortium. This was reflected in the total export figures for raw sugar, which barely reached $121 million.

Furthermore, the Rosario Dominicana Company has not been able to find an appropriate way to deal with changes in the character of the rock containing its deposits of gold and silver. As a result the company has not had adequate technology available to exploit its sulphur deposits or to deal with the so-called intermediate layer of rock. Therefore, in 1992 exports of gold and silver amounted to $28 million, compared to the more than $100 million in gold and silver which we exported annually before 1987.

At the same time, meat exports were suspended for six months, due to sanitary restrictions imposed by the United States and Puerto Rico in response to the lack of a laboratory in the Dominican Republic to analyze our exports of this product.

In addition to all of these calamities involving traditional export products, many of which were beyond our control, the country made no real significant progress with commodities such as pineapple, bananas, and citrus fruit, which could have made up for the decline in exports of traditional products.

It could be pointed out, in a general way, that the essential problem facing the Dominican export sector is the fact that the country needs to make basic changes in the structure of its exports to make it less dependent on traditional products. Nevertheless, to make such a change successfully, it will be necessary to implement a series of well defined and coherent policies. This definitely was not in the mind of the authorities during 1992, nor is it clearly apparent at the present time.

Imports

In contrast to what has happened to exports, there was a very pronounced growth in imports. Preliminary figures place imports during 1992 at about $2,170 million, that is, about $436 million more than in 1991. As a result the trade deficit was more than $1.6 billion, or more than $500 million above the deficit in 1991. This makes imports the most delicate element in the Dominican economy. They will require the greatest attention, both by the public as well as the private sector.

Regarding the composition of imports, petroleum and coal, the basic sources of the country's energy, amounted to about $500 million, despite the fact that a barrel of petroleum cost approximately $18, compared to the $34 which we had to pay for a barrel of petroleum during the early 1980's. This is an element which must be kept in mind, since the international price of petroleum depends on many factors, all of them outside our control. Therefore, any unexpected increase in the petroleum price could raise the value of these imports by several hundred million dollars annually.

Other imports, that is, all others with the exception of petroleum and coal, amounted to about $1,670 million, representing a growth of about 30 percent, compared to 1991. This will be impossible to sustain over the medium term. This growth was the result of the recovery of the economy, although it was also due in large part to the opening up of the economy which took place as a result of the 1991 reform of the customs tariff. This provided consumers with the possibility of purchasing a broad range of products at relatively low prices.

Results of Activity in the External Sector

In addition to the trade deficit of about $1.6 billion in 1992 the country had to make other payments in foreign exchange estimated at more than $800 million. Among these were freight and insurance charges, payment of interest on the external debt, travel by Dominicans abroad, as well as other, external commitments. Therefore, the country had to find about $2.4 billion to cover these needs.

Due to the lack of carefully prepared statistics, it is impossible to quantify with precision the total amount of foreign exchange earned by the Dominican Republic. Nevertheless, it is estimated that in 1992 tourism produced about $970 million—that is, almost $100 million more than in 1991. Duty free zones produced about $300 million. Dominicans living abroad sent back about $350 million in remittances. Other sources, including foreign grants (from the European Economic Community, etc), brought in another $300 million.

As a result, it is estimated that the deficit in the balance of payments on current account was about $500 million. Nevertheless, given the statistical inadequacies previously mentioned, the final result will never be known with certainty.

In any case, although there is no consensus regarding the size of the deficit on current account, since different sources estimate it at between $375 and $500 million, these observers definitely agree in pointing out that, during 1992, to a greater extent than in 1991, the country received a large amount of external capital. Some of this capital came in to make productive investments, while other external capital was motivated by the high rates of

interest prevailing in our financial markets. Hence the stability which we had in the foreign exchange rate throughout 1992 was due, in large part, to external capital.

Therefore, to the extent that a good investment climate and confidence in the stability of the economy can be maintained in 1993, external capital will continue to flow in to the same extent. In this way the external deficit could continue to be financed. This has been a process which has occurred in many Latin American countries at different times. Hence the importance of not significantly changing the economic policies followed in the recent past. On the contrary, there is all the more reason to take action which will provide a further incentive for the flow of external capital into our country.

International Reserves of the Central Bank

As of 31 December 1992 the gross international reserves of the Banco Central [Central Bank] amounted to $582 million, that is, $82 million more than at the end of 1991. These high levels of reserves, unprecedented in the economic history of the country, will make it possible for the Banco Central to deal with any temporary requirements which may come up. This is a significant guarantee for the stability of our national currency, at least over the short term.

It is important to point out that, up to November 1992, the Banco Central had lost about $33 million in gross reserves compared to the situation at the end of 1991. However, in December 1992 it was able to add about $115 million to our reserves, due to the fact that it drew about $50 million from the IMF under the "Stand By Agreement" signed in 1991. There was also a large, inward flow of dollars which traditionally takes place in the Dominican economy in December as a result of tourism and the visits home of "Dominicans living abroad."

Monetary and Financial Behavior Many sectors of the economy have shown signs that the Dominican economy has been managed with insufficient liquidity. This condition has led to: (a) high interest rates; and (b) inadequate credit extended by commercial banks.

Nevertheless, monetary indicators do not appear to support the above view. In the first place, currency emission by the Central Bank grew by 1,134 pesos, or 20 percent, during 1992. This can be considered the most significant indicator, since the other component of monetary emission, that is, deposits which the commercial banks maintain with the Banco Central to meet legal reserve requirements, has behaved in a very erratic way. In any case, if we use a broad definition of currency emission, the result is that the money supply grew by 30.2 percent in 1992.

Since domestic prices in 1992 grew in a very controlled way, we might conclude by pointing out that the increase in currency emission by the Banco Central was very high in real terms. Nevertheless, this increase was fundamentally a consequence of the growth in gross international reserves held by the bank. In this sense we should not only take into consideration the level of reserves at the end of 1992, compared to the end of 1991, but also the fact that in March and June 1992 the bank spent about $116 million to cover the payment of overdue debts owed to the governments of Venezuela and the United States. Therefore, we should also consider the Dominican pesos which the bank had to issue to be able to obtain from the public the U. S. dollars which it used for these payments.

Another factor which also had an expansionary effect on currency emission was the considerable reduction in the value of securities issued by the Banco Central itself. This reflected the desire of the monetary authorities to reduce the high cost of marketing these securities, some of which carry very high, annual rates of interest. This was the case with the securities marketed in March 1991, which bore an interest rate of 38 percent annually.

Therefore, if the central government had not had to demonetize [buy back government securities] valued at about 1.3 billion pesos in 1992, the effect of the increase in gross reserves by the bank would have had an even greater impact on currency emission. Perhaps this would have caused greater currency expansion than would have been advisable. Hence the great importance of the repurchase of securities by the government. This is evidence that the principal objective of the Dominican authorities in 1992 was the maintenance of stability. It should be recognized that this was a favorable development, since it meant a radical change in the economic policies followed by the present administration in the Dominican Republic.

In 1992 the government even turned over to the Banco Central about 2,780 million pesos for payments on the external, public debt. That is, taking into account the repurchase of government securities and the allocation of pesos for payments on the debt, the government provided the Banco Central with about 4.8 billion pesos in 1992 for both purposes. It might be said that this figure underlines the fundamental difference between the fiscal and monetary policies followed by the government prior to and since 1991 and also contrasts the inflation and stability which the Dominican Republic experienced during those two periods.

Money in Circulation and Banking Operations

Regarding another monetary variable which reflects the extent of liquidity in the economy, we should note the fact that money in circulation increased by 23 percent in 1992. This figure also shows the high level of liquidity of the Dominican economy in 1992.

Furthermore, deposits made in the commercial banks increased by 4,835 million pesos, or 30 percent, and loans extended increased by 4,079 million pesos, that is, by 38 percent. It was the private sector which benefited the most, with a 40 percent growth rate in 1992.

One of the factors which made possible this rapid increase in the amount of bank loans extended was the reduction of the legal reserve requirement which came into effect at the beginning of 1992, from 32 percent (on the average) to 20 percent. However, it was not until the end of 1992 that the Monetary Council authorized the release of about 900 million pesos, which the commercial banks held in accounts frozen in the Banco Central as a result of this reduction in the legal reserve requirement. [Passage omitted]

From May 1991 to December 1992, that is, a period of about 18 months, loans by commercial banks increased to 6,460 million pesos, or 43 percent of all loans extended by the Dominican banking system since its establishment. This figure shows eloquently enough the magnitude of the increase in bank loans since the recovery of the Dominican economy began.

As a result the only way in which we can explain why this great increase in bank loans has not had a greater impact on domestic inflation is the increase in domestic production and the large growth in imports. This made it possible to provide enough goods and services to meet real demand in the economy.

It is important to point that, according to figures available in October 1992, out of the total increase in bank loans, barely 16 percent were extended to the industrial sector. Meanwhile, 41 percent was oriented toward commercial activity, which has been a matter of concern, since the productive sectors have been managed with less relative liquidity than in previous years.

This can be partially explained by the high rates of interest prevailing in the market throughout 1992. Although interest rates showed a tendency to rise since 1991 and continuing through the first three months of 1992, they have been increasing systematically since April 1992.

It is very difficult to state what real interest rates are, since in the Dominican Republic there are extremely pronounced variations in the structure of interest rates, both passive as well as active. Perhaps it would be enough to point out that in December 1992 commercial banks offered a range of rates which varied between zero percent on current checking accounts at some banks to 22 percent interest on certificates of deposit. In terms of active interest rates, although the spread was rather broad, it could be said that the corporate rate, on the average, ranged around 30 percent.

Obviously, with such interest rates it is very difficult to undertake any productive activity, both in the agricultural as well as in the industrial or tourism areas, as the return on invested capital takes place over the medium to long term. In this sense it should be remembered that an increase in industrial production could be achieved with the same installed productive capacity, since this would only involve returning to production levels previously reached, that is, as far as working capital is concerned. Regarding the supply of tourist rooms, the great majority were built with investments made by external capital. Hence the greater demand for loans originated with short term, commercial activity, although personal loans also grew substantially—by about 60 percent. However, they accounted for much less in the situation as a whole.

This is another of the specific, major problems facing the Dominican economy in 1993 for which a solution must be found. The problem lies in how to reduce high domestic interest rates to stimulate production without discouraging the entry of external capital flowing into the country in search of a greater return.

The Performance of Public Finance

As has been shown above, prudent management of fiscal policy during 1992 was a decisive factor in the maintenance of the economic stability achieved by the country since 1991.

Income

In 1992 central government income from taxes rose to 16,702 million pesos, of which 94.7 percent (15,823 million pesos) was collected under scheduled taxes, 2.5 percent from sources other than taxes, and the remaining 2.9 percent in extraordinary income.

This level of government receipts reflected an increase of 60.2 percent, compared to government receipts in 1991. This could be considered an extraordinary increase which made it possible for the government, not only to earmark a growing amount of resources to investments, but also to dedicate substantial funds to the repurchase of government securities and the repayment of part of the external debt. In this way it could be said that the government, more than any other sector, was the greatest beneficiary of the economic recovery.

The most important source of tax revenue continued to be tariffs collected on foreign trade. In 1992, 7,542 million pesos were collected in this way, or 71.5 percent more than total collections in this category in 1991. The average rate of growth of all other taxes was 21 percent.

It is important to point out that the average tariff level (including the ITBIS [general sales tax] but excluding from the calculation petroleum and petroleum products, as well as food products imported free of duty by government agencies) reached 36 percent in 1992, much higher than the average level of 24 percent recorded by this indicator during 1989 and 1990—that is, before the tariff reform which entered into effect in 1990.

Obviously, this increase can be explained in part by the application of import duties on the value in pesos of all merchandise and also by the fact that the general sales tax not only was increased to 8.0 percent but also was extended to practically all imports.

In the same order of ideas, when we analyze the composition of tax revenue in 1992, we should note that almost 48 percent of the total reflects receipts from duties on

foreign trade. It is worth stating that the central government is financing practically half of its expenditures through the tariff on imports.

Nevertheless, in terms of domestic taxes on merchandise and services, we can observe a clear tendency toward a greater, relative importance of these taxes, which have risen from an average of 22 percent of the total over the past three years to about 30 percent in 1992. This tendency should be accentuated in the next few years, due both to the increase in the general sales tax as well as to the change involved in using an ad valorem basis for several, specific consumption taxes. This change took place with the entry into force of the new Tax Code (June 1992).

It is to be hoped that government receipts from income tax will slowly regain the importance achieved in previous years, so that, together with taxes on domestic consumption, they will be the principal basis of support for public spending. An increasingly competitive, international economy and the possible incorporation of the Dominican Republic into a regional, economic bloc may force us to reduce our tariff levels gradually.

Another aspect which deserves to be pointed out is the small amount of external resources which the Dominican Republic, as a state, has received. In this sense, despite the fact that in the 1992 budget it was estimated that 2,027 million pesos would come from foreign sources, as of the end of 1992 only 202 million pesos had been received during the year, that is, only 10 percent of what was estimated in the budget. At the same time it should be indicated that, in addition to the 16,702 million pesos collected in tax receipts, during 1992 the government also received about 900 million pesos outside the regular budget. This included payments from the Falconbridge Mining Company, consular duties, and income from tourist cards and other sources. These payments were directly made to the Office of the President of the Republic.

It should be emphasized from the obvious fact that during 1992 the so-called burden of taxation (the relationship between tax receipts and Gross Domestic Product) rose to 16 percent, placing the Dominican Republic above the Latin American average as far as this indicator is concerned. Apparently, the time is past when this figure barely reached 10 percent. As a result, one of the arguments most frequently used to justify the issuance of "inorganic" securities for financing public spending, with its negative, inflationary consequences, has disappeared.

Expenditures

Regarding expenditures by the central government during 1992, it should be pointed out that 5,912 million pesos were allocated to current expenditures, or 38 percent of total expenditures, and 9,469 million pesos were allocated to investments, capital contributions, and payments on the external debt. To make payments on the external debt, the government transferred 2,874 million pesos to the Banco Central.

At this level of expenditures the central government ended 1992 with a budgetary surplus of 1,321 million pesos (1.3 percent of Gross Domestic Product), 1,207 million pesos of which were demonetized in the Banco Central.

This prudent attitude by the government in handling the 1992 budget should be emphasized. If we add the resources deposited in the Banco Central for payments on the external debt and the resources which were demonetized, the result reflects the fact that during 1992 the government transferred to the Banco Central under both headings 4,081 million pesos, or one-fourth of total tax collections during the year.

As has been pointed out, maintaining foreign exchange stability throughout all of 1992 and keeping inflation at acceptable levels for the second, consecutive year were due to these actions by the government.

On the other hand it should be pointed out that the foregoing was achieved without the government finding itself forced to reduce its levels of investment or its contributions of capital to various companies in the decentralized, public sector. On the contrary, direct expenditures on construction, which amounted to 1,845 million pesos in 1991, rose to 3,394 million pesos in 1992, reflecting a growth rate between the two years of 84 percent.

From the foregoing it may be seen that in 1992 the average investment made in construction activity carried out directly by the central government—excluding the investments of decentralized, public institutions receiving contributions from the central government—amounted to 283 million pesos per month. However, it should be said that during the third quarter of 1992 these investments averaged 300 million pesos per month. The average, monthly levels of investment in construction contrast significantly with what happened in 1991, when this average was slightly more than 150 million pesos per month during the months following the national elections held in May 1991.

Contributions of capital by the government to decentralized, public institutions reached 3,007 million pesos in 1992. The most favored sector involved the provision of safe drinking water and sewage, through the CASSD [expansion unknown] and the INAPA [National Institute of Drinking Water and Sewage]. These two institutions received 48.5 percent of all government contributions to the decentralized, public bodies. Meanwhile, the sector which was second in importance was the agricultural area as a whole (the SEA [expansion unknown], BAGRICOLA [Agricultural Bank], IAD [Dominican Agrarian Institute], FEDA [Special Fund for Agricultural and Livestock Development], INDA [expansion unknown], and "La Cruz de Manzanillo" project), which received 21.8 percent of total government contributions.

The INDRHI [National Institute of Water Resources] (which handles irrigation and energy) received 20 percent of government contributions, while the CEA [State Sugar Council] (which handles the sugar harvest) received 6.7 percent.

Budget Performance

The following conclusions may be drawn from the above indications on government receipts and expenditures during 1992:

(1) The central government achieved a significant increase in tax collections, compared to 1991.

(2) Income from import duties continues to have a very substantial impact on total collections.

(3) The budget was managed in a prudent way, providing in a timely way the funds necessary to make the corresponding payments on the external debt and to demonetize an appreciable amount of securities outstanding. Both measures provided support for the maintenance of economic stability.

(4) The above was not an obstacle to achieving a high level of direct investment in construction, as well as providing capital contributions to the decentralized, public institutions in the sectors which received priority attention during 1992, such as: safe drinking water and sewage, agriculture, irrigation, and others.

(5) By the last few months of 1992 an improvement was noted, though still not very significant, in government attention to the health and education sectors. Such an improvement has been repeatedly demanded over the past few years by all of the representative organizations and many groups in society. Apparently, within the government an awareness of the need to pay greater attention to these two areas is beginning to emerge. These two sectors are not only fundamental for national development but are also the principal routes to improve the distribution of government receipts through public spending. Whether this change of attitude toward the two sectors will be continued in the future will become more apparent, to the extent that budgetary activity of the kind which has recently begun is continued in 1993.

Price Behavior

According to figures from the Banco Central, inflation in the country, measured by comparing the index of prices in December 1992 with the index in December 1991, was about 6.6 percent, one of the lowest in all of Latin America.

Several factors influenced the fact that inflation has remained under control, despite a considerable expansion in the money supply. In the first place, interest rates, although they are still high, remained at much lower levels than in 1991. It also happened that in 1992 there was a decline in company profit margins, as a result of substantial competition with imported products. In the third place imports valued at $2,170 million (27,125 million pesos) contributed significantly to the increase in the supply of goods available for consumption. Also contributing to low inflation was the reduction of international prices for petroleum and petroleum products and, finally, the maintenance of a completely stable foreign exchange rate throughout 1992, including even a tendency toward a strengthening of the peso in terms of the U.S. dollar during the last two months of the year.

Conclusion

The behavior of the Dominican economy in 1992 can be considered very satisfactory, especially in terms of fiscal and monetary policy.

Although production increased considerably, the per capita levels of consumption of previous years have still not been reached. As a result the living levels of groups with the smallest incomes are still very low. Therefore, this is a matter calling for special attention by the Dominican authorities.

The considerable increase in imports and the decline in exports produced deficits in the balance of trade and in the balance of payments on current account of a magnitude which cannot be sustained over the medium and long term. In this sense the country urgently needs to have action taken to stimulate an increase in exports.

Until these measures bear fruit, it is essential to maintain the climate of stability and confidence so that foreign capital will continue flowing into the country, as has been the case over the past two years. On this foreign capital inflow will depend the short term stability of the economy.

Guyana

Ex-President Hoyte To Undergo Heart Surgery

FL2204011093 Bridgetown CANA in English 1908 GMT 21 Apr 93

[Text] Georgetown, Guyana, April 21, CANA—Former Guyana President Desmond Hoyte, who has been hospitalized in critical condition in New York for the past month, will undergo heart surgery later this week, the STABROEK NEWS newspaper reported Wednesday. Jonathan Weil, spokesman for the Cornel Medical Center in Manhattan, was quoted by the paper as saying Hoyte, whose diabetic problem triggered the development of heart complications, was being prepared for heart by-pass surgery.

"His condition is critical as it had been when he arrived here," Weil told the paper. Hoyte, who well-placed sources said flew out of Guyana in a coma about a month ago, was transferred to Cornel after spending about two weeks in the St. Mary's Hospital in Brooklyn.

Doctors treating the opposition People's National Congress (PNC) leader opted for the operation after studying the results of a cardiac scan, the STABROEK NEWS

said. Dr. Noel Blackman, one of Hoyte's physicians and a former health minister here, also confirmed the former president was being prepared for surgery.

Blackman said: "We are trying to get his fluid levels and all other factors in the pink of condition before fixing a date for surgery." Blackman said Hoyte was still dependent on a respirator because of breathing difficulties, but he maintained Hoyte's condition had improved since his admission to the Manhattan hospital.

"When he first arrived here, everybody was worried. I can say now that he has improved remarkably and we are keeping our fingers crossed," he said. He acknowledged, however, the surgeons were worried about the number of by-passes the former president may need. "I'm sure he will need about three or four by-passes. We are always worried about these types of operations," he said.

Haiti

MDEH 'Thinks' Aristide Should Relinquish Title

FL2104220793 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 Apr 93

[Text] While the Movement for the Economic Development of Haiti [MDEH] does not find much to say on either the form or contents of the general's speech, it has changed the organization's stand. Daniel Petit, Emmanuel Mesidor, and Polynice Bastien, who signed the MDEH's analysis, compares the plan that Marc Bazin announced as a means of resolving the crisis with the 100,000-job promise he made when he was being installed as prime minister in June 1992. They add that they do not believe that this plan will succeed. In spite of all these considerations, the MDEH has pointed out something common to both speeches. Both of them are far from what the people are expecting, what is being discussed in the negotiations.

As no information has been released so far on what was discussed during the series of meetings Dante Caputo held in the country last week, the MDEH is wondering whether this silence does not conceal a plot that might jeopardize Haiti's independence. It is the duty of the government to reject any agreements it considers damaging to the country's independence. The MDEH believes it is also the duty of the authorities to advise the people of how the negotiations are going. Given their stand on the country's crisis, the MDEH thinks the United Nations and the OAS are ready to play the same role as that of Hedouville in the conflict beween Rigaud and Toussaint. Two hundred years later, a similar situation is threatening the Haitian people. Yet, according to the MDEH, nobody seems to understand what the OAS, the United Nations, or the mediators are doing about the Haitian problem.

As it believes the people cannot continue to see foreigners interfering in their country's internal business, the MDEH recommends that Jean-Bertrand Aristide and General Raoul Cedras commit a patriotic deed. Given that the ousted president would be very politically weak if he allowed the international community to engineer his return to Haiti, the MDEH thinks Aristide should relinquish his title as president of Haiti to hinder any maneuvers being conducted by the United States and the OAS in the Haitian crisis.

The MDEH suggests that General Cedras resign as head of the Army. Such a decision should not, however, be made by the general in response to pressures from the international community. The MDEH analysis is dated 19 April and was signed by Polynice Bastien, president; Daniel Petit, vice-president; and Emmanuel Mesidor, secretary general.

Metropolitan Military Department Arrests 1,018 During March

FL2104223393 Port-au-Prince Radio Metropole in French 1855 GMT 21 Apr 93

[Text] During March, 1,018 arrests were made by the military department of the metropolitan area. The reasons for these arrests range from assault to attacks on property, through various other causes such as resisting, drug use, and corruption of minors. According to a press release from the military department of the metropolitan area, it should be noted that 212 prisoners were released during the month, with 90 referred to the Public Prosecutor's Office.

Bishop Romelus Demands 'Severe' Sanctions Against Military

FL2104221493 Port-au-Prince Radio Metropole in French 1855 GMT 21 Apr 93

[Text] Bishop Willy Romelus demands the adoption of severe sanctions against all military involved in violence and acts of terrorism throughout the country. The bishop of the Jeremie diocese denounced the upsurge of repression and the numerous cases of physical abuse inflicted by the military on many citizens in Grand-Anse. It should be pointed out that Bishop Romelus is absent from the first ordinary meeting of the Episcopal Conference of Haiti for security reasons. During this meeting, the bishops are expected to examine the crisis born of the 30 September coup d'etat and the serious problems of unity that the Catholic Church of Haiti is facing.

Jamaica

Patterson Says Debt 'Major Constraint' to Growth

FL2104164993 Bridgetown CANA in English 1528 GMT 21 Apr 93

[Text] Kingston, Jamaica, April 21, CANA—Jamaica's huge foreign debt, which requires more than U.S. 600 million dollars a year to service, is hampering the country's capacity to grow and develop, Prime Minister P.J. Patterson complained on Tuesday [20 April]. Patterson,

noting the problem was common to Latin America and the Caribbean, called for regional approaches and increased United Nations help to tackle the problem of sustainable development.

The Jamaican prime minister was speaking at the opening of a United Nations Development Programme (UNDP) meeting at which representatives of Latin American and Caribbean countries are reviewing their work in the context of a post-cold war world and debate on changes in the UN system.

"Never has the United Nations been so challenged by the new and changing paradigms," said UNDP associate administrator Luis Maria Gomez. Maria Gomez said the country representatives would reflect on the changes and attempt to "bring some balance on the dialectic between the national interest and the global interest."

Patterson, in his remarks, highlighted the impact of debt in Latin America and the Caribbean, and the scars of economic adjustment, especially in the case of Jamaica.

"Jamaica's external debt burden is a major constraint on the country's ability to grow," he said.

Jamaica's external debt stands in the region of U.S. 3.9 billion dollars, after marginally declining in recent years following bilateral forgiveness by the United States and borrowings that have not [word indistinct] the net stock of debt. But the debt is still about 155 per cent of the country's nominal gross domestic product and within the last year required U.S. 637 million dollars to service after rescheduling by the Paris Club.

"In the absence of further bilateral or Paris Club rescheduling, net official capital outflows are estimated at U.S. 130.9 million dollars per annum over the period 1993-94 to 1997-98," Patterson said.

"...To deal with the debt burden, there must be the requisite of economic growth and it must be sustained," he added.

Rains Damage Infrastructure, Agriculture in East

FL2204011193 Bridgetown CANA in English 2057 GMT 21 Apr 93

[Text] Kingston, Jamaica, April 21, CANA—Heavy rains during the last two days have caused extensive damage to infrastructure and agriculture in sections of Portland, eastern Jamaica.

Media reports say dozens of families have also been dislocated and Jamaica's Office of Disaster Preparedness (ODP) and other relief agencies were assessing the extent of the damage Wednesday in order to provide relief where necessary.

Roadways in and around the coastal town of Port Antonio were blocked by landslides and there were reports of extensive flood damage to banana plantations and other agricultural crops in the Rio Grande Valley.

Salinas Announces Measures To Support Coffee Producers

PA2104165293 Mexico City XHTV Television Network in Spanish 0200 GMT 21 Apr 93

[Report by Daniel Flores Meneses]

[Text] President Carlos Salinas de Gortari announced seven measures to support 250,000 Mexican families whose livelihood is coffee. He made the announcement in view of the crisis faced by Mexican coffee producers, who have been seriously affected by the price drop on the international market. The support also includes a special fund to exchange coffee cultivation areas for other more profitable products.

[Begin Salinas recording] 1. We will continue the emergency program. We are not going to suspend or end it. We are going to continue the program so it will, in effect, continue to support coffee producers. [applause] We will continue the work programs you have designed through the cooperative groups and regional organizations.

2. We will support approximately 203,000 producers with 209 pesos per hectare for a total of 345,000 hectares in May and June . With the object of making that support genuine, the federal government will contribute 69 million new pesos, which will be increased by 21 million new pesos from the profits obtained from last year's resources. I want to tell you that it is really exemplary to see the increased support that has been extended to coffee growers. If you are not reaching the 90-percent level achieved in the past, it is because of the terrible drop in coffee prices.

3. Additional disbursements will be made in the sum of 200 new pesos per hectare in October and November. This will be done to increase the coffee harvest. The federal government will also make an additional allocation of 79 million new pesos.

4. A total of 64 million new pesos will be earmarked for coffee marketing. Of that amount, 45 million will be the product of the profit obtained from the resources assigned earlier.

5. In view of the current low prices, the recovery commitment is 25 percent for those who have less than two hectares and 50 percent for those who have up to 10 hectares of production.

6. In response to your proposals, I have issued instructions to the Agriculture and Water Resources Secretariat so that priority is given in the liquidation of the Mexican Coffee Institute [INMECAFE] to covering the 25 million new peso debt it has with producers so you can fulfill your needs and commitments during 1993. [applause]

7. Companies participating in the solidarity plan will continue to invest in irrigation and viable projects, especially now that we have to transfer more than 20 coffee processing plants of approximately 25 or 28 that existed in the hands of the producers. [end recording]

These measures in support of Mexico's coffee producers were announced by President Salinas before 12 peasant organizations that are participating in the national emergency program to aid coffee producers of the social sector. President Salinas said coffee producers will receive 233 million new pesos to support their production. The president received requests by the producers, including Rafael Ceballos of the National Peasant Confederation, at a ceremony held in the Carranza room of Los Pinos Presidential Palace. Ceballos asked the president to intercede with private banks to prevent coffee plantations from being auctioned off for lack of payment, as is occurring in some states, including Chiapas and Nayarit.

Government To Aid Citizens on U.S. Death Row

PA2104183593 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 21 Apr 93

[Text] The Mexican Government will offer legal assistance to eight Mexican citizens facing death sentences in U.S. jails. That announcement was made on 20 April by the National Human Rights Commission.

The report indicates that steps will be taken shortly at the Foreign Secretariat to provide legal assistance for those sentenced, including Mr. Ricardo Aldape Guerra, who has been held for many years in Huntsville Prison in Texas. Aldape's execution has already been postponed many times.

The assistance program contemplates personal visits by Jorge Madrazo Cuellar, National Human Rights Commission president, to the inmates and a legal analysis of the processes, as well as contacts with the eight Mexican citizens' defense attorney.

Costa Rica

Envoy to Poland Dismissed; Heroin Found in Luggage

PA2104211093 San Jose Radio Reloj in Spanish 1730 GMT 21 Apr 93

[Statement read by Foreign Minister Bernd Niehaus at the Foreign Ministry Building in San Jose on 21 April—recorded]

[Text] I have the unpleasant and painful task of informing you of an incident that took place in Poland with our ambassador there. Carlo Alberto Vargas Solis was the first to report the news to me early this morning. Until that time, he was our ambassador in Poland. He told me that his return flight to Warsaw from a trip to New Delhi, India, was delayed and when he arrived in Warsaw his luggage was not on that airplane. He received it that night but, as the authorities handed it to him, they asked him to let them open it. He agreed and helped them, according to his report. Inside his luggage were 12 kg of heroin, which the ambassador denied were his. I directly informed President Rafael Angel Calderon of the news and we decided on the immediate dismissal of the ambassador. Vargas Solis said he is innocent and he must prove this in a court of law. In the conversation we had this morning, I told him that if he is innocent he can prove it in court. For that reason, it is necessary to lift his diplomatic immunity. The former ambassador insists he wants to prove his innocence and that he does not understand how the drug got there. We cannot and do not want to judge him but this incident is very serious, and the Foreign Ministry regards it as such. This is painful for the Foreign Ministry because he is a career diplomat. He had been working for the foreign service since 1980. The qualifying commission declared him a career diplomat, making this a particularly painful matter. If confirmed, the incident puts the country in a bad light, as it is a hard blow to the country. My only wish is that he is able to prove his innocence.

El Salvador

Cristiani Says Coalition Government 'Would Not Be Effective'

PA2204134593 San Salvador Radio Cadena YSU in Spanish 1800 GMT 21 Apr 93

[Report by Enrique Lemus]

[Text] Referring to statements by several parties regarding the coming Salvadoran general elections, President Cristiani said that a coalition government [gobierno de consenso] would not be effective because the parties uphold different ideologies.

The president said that the option to form a coalition had gained force among the political opposition, but he believes that the method would not be effective. He said minority parties only use coalitions to come to power. The president of the Republic and Nationalist Republican Alliance [Arena] leader added: We have to ask ourselves, who will the coalition favor? Will it favor the people or the politicians?

[Begin Cristiani recording] I do not know of any coalition that has been successful until now. To the contrary, coalition governments end up doing absolutely nothing because nobody agrees on anything. I believe a democracy is not based on coalitions. In a democracy, the people elect their leaders and the government platform they believe will bring more benefits. The people are capable of evaluating the alternatives correctly.

Generally, the proposal for coalitions are presented by minority groups that need the coalition because it is the only way to gain power. They use it as the ladder to come to power. They say: Look, I am not going to get the necessary votes to be elected so let's get together to gain power.

Consensus can be used in other ways. To govern based on consensus is one thing, but a coalition government is quite another. Regarding the latter, I ask: Who will the coalition favor, the people or the politicians who will establish a chaotic government with handpicked people for the different posts? I believe there is a difference between governing a country by trying to reach the needed consensus to carry out changes or implement policies and a coalition government. I believe coalition governments are ineffective; as a rule they do absolutely nothing because they cannot agree among themselves. [end recording]

President Cristiani discounted the possibilities that the opposition parties will get to power in a coalition because the differences between them are too strong. He stated, however, that Arena could join a coalition for the next elections and, if so, would uphold its standards to govern with other sectors.

Coffee Growers Press Government for Loan; Government Says Slim Chance

PA2104193993 San Salvador Canal Doce Television in Spanish 0300 GMT 21 Apr 93

[Text] The country's coffee growers are pressing the government to lend them $15 dollars per quintal to be able to ride out the current crisis in this sector. The authorities say the possibility of that happening is very slim.

[Begin recording] [reporter Ervin Ortiz] Coffee growers are talking about the need for the government to refinance their loans to ride out the critical situation caused by the drop in coffee prices. This would be the second time in less than a year that the coffee sector has made this appeal. Last year, the government awarded them $45 million for this purpose.

[Unidentified speaker] The idea is to seek refinancing. We think—and we and the government must consider

this very seriously—the fund for coffee should be expanded to lend, not subsidize, coffee growers $15 per quintal, or a similar amount, for this year.

[Ortiz] The price of the quintal fluctuates between $45 and $50, a price that the group feels cannot be maintained, hence the urgent need for a new government loan. The government, through the Central Bank president, felt this is very unlikely to happen.

[Unidentified official] The coffee growers will have to pay those loans after the 1994 and 1995 harvests. They are asking for a treatment similar to the one they got last year. When you look at last year's figures, it is highy unlikely we can do that. I think we have to think about other kinds of solution.

[Ortiz] Agriculture and Livestock Minister Mauricio Cabrales admits coffee remains the backbone of the country's economy but felt the government has more pressing commitments now that peace has arrived.

[Cabrales] The government is facing a difficult situation. The ironic thing is that we are at peace but have grave economic problems. The war had its costs, which no longer exist because we are at peace. Peace has its cost, however.

[Ortiz] After those remarks, the only weapon available to coffee growers is beginning to disappear. They will have to propose new solutions soon, although they doubt any other reasonable ones exist. [end recording]

CDHES Files Supreme Court Writ Against Amnesty Decree

PA2204003893 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 21 Apr 93

[Report by Imelda Alvarenga]

[Text] The nongovernment Salvadoran Human Rights Commission, CDHES, on 21 April filed before the Supreme Court of Justice a writ of unconstitutionality against the amnesty decree. Despite the low credibility of the Judicial Branch, CDHES leader Celia Medrano said that presenting this writ is a moral duty.

[Begin Medrano recording] We consider it a moral imperative to have on record that the proper authorities were informed that this law is unconstitutional and violates Salvadoran law. For us it becomes a moral duty to present the writ. [end recording]

The CDHES spokeswoman said that the Supreme Court is obliged to guarantee that laws be respected.

[Begin Medrano recording] The Supreme Court is an institution most mistrusted by the Truth Commission; its credibility is very much in doubt. Nevertheless, this writ forces the Supreme Court of Justice to guarantee that laws in El Salvador are fully respected. The writ clearly establishes that the amnesty law violates the Constitution and international agreements. The Supreme Court of Justice cannot legally sidestep the writ's veracity and, therefore, must rule accordingly. [end recording]

The humanitarian organization claims that the amnesty law approved on 20 March violates the Constitution because [current] civilian and military officials should not benefit from it. The Constitution specifies that public officials committing crimes during the same presidential period that approved the amnesty law cannot benefit from it.

Medrano announced that an OAS Inter-American Human Rights Commission delegation will arrive in El Salvador next week to verify the human rights situation.

Guatemala

Conciliator Quezada Remarks on Peace Talks Progress

PA2104193293 Guatemala City Teleonce Television in Spanish 0345 GMT 20 Apr 93

[Text] Monsignor Rodolfo Quezada Toruno, president of the National Reconciliation Commission, said some progress was made during the round of talks that [words indistinct] on 18 April in the Mexican capital. Quezada returned to Guatemala the afternoon of 19 April. The conciliator issued a communique in which he acknowledged that it had not been possible for the parties to reach a definitive agreement on the overall human rights agreement with immediate enforcement, international verification, and an established timetable to give the process a quicker and more orderly viability.

Nevertheless, the conciliator's communique adds that there was a broad exchange of opinions and [words indistinct] by the parties on the immediate future of the negotiating process. The process is at a decisive moment, which is why it is difficult to sign an agreement [words indistinct], the communique states. It also adds that this round of talks allowed the parties to establish clearly the [word indistinct] points that must be resolved previously to assure the treatment of [words indistinct] established in Mexico in April 1991. At the same time it would allow a cease-fire date to be set even though some issues would still be under discussion.

Quezada stated in the communique that as conciliator he believes some progress has been made in this most recent round of talks.

He added: I believe it is necessary to allow some time so the parties can reach an agreement with the help of suggestions made by the conciliator during the talks. Another point of the communique reads: There is disagreement regarding integration and the temporary nature of the commission that will record the most important human rights violations perpetrated from the beginning of the armed confrontation until the final peace agreement is signed.

At the parties' request, and outside the negotiations, two UN experts reported to the delegations before the talks began on the UN requirements for verification of possible cease-fire agreements. That information was relayed to the parties, Quezada's communique added. The next round of talks is scheduled to begin 5 May. Upon returning to Guatemala City, Quezada said the talks have reached a decisive stage regarding a cease-fire.

[Begin recording] [Quezada] Unfortunately, it was impossible to reach a final understanding on the simultaneous signing of a general human rights agreement with immediate verification and a schedule for the process. Nevertheless, I must admit there was a broad exchange of views, particularly on the immediate outcome of the process. Many people wonder why it is difficult to reach an agreement. Apparently the difficulty lies in that we are at a decisive point.

We are discussing the possibility of an irreversible cease-fire, hence the difficulty of clearly establishing the negotiation terms. There have been proposals and counterproposals. I have collected all of them and presented to the parties a memorandum on how to get ahead in the next round of talks. So that is where the problem lies. I want to make it clear that I do not want to be an arbiter of the situation. My position as conciliator forces me to stand between the parties, however, each of which can give its own version of what transpired at the meeting. Thanks to the fact that we collected all of these proposals and suggestions, I can see the possibility of reaching an understanding in the next meeting.

[Unidentified reporter] What is the difference between the most recent meeting and the previous one? You sounded disappointed after that meeting.

[Quezada] There was even some delay in the previous one. In this meeting, the stand of each of the parties was very clear. There were no ambiguities in the proposals. In addition, this is a very interesting experience because, outside of the negotiations, the parties asked the United Nations to send two cease-fire experts to explain UN requirements for a cease-fire verification. It was a general report, not specifically for a cease-fire in Guatemala. Anyway, the information was useful for further negotiations to be conducted even more clearly than before.

[Reporter] Why did each of the parties willingly agree on what was demanded of them?

[Quezada] Look, I do not want to give any more details at this time because in the statement I made after the previous meeting I said some things that had not been signed and one of the parties demanded to know why. So now I will only report what has been signed by the parties. [end recording]

Lumber Agreement Reached With Belize

PA2104164093 Guatemala City SIGLO VEINTIUNO in Spanish 20 Apr 93 p 3

[Text] Foreign Minister Gonzalo Menendez Park reported on 19 April that the lumber seized in Belize could be auctioned off publicly there with the participation of Belizean forest authorities assisted by Conap [National Public Relations Council].

This is part of the first point of an agreement reached by Guatemalan and Belizean delegations that met in the United States on 16 April and were headed by the two countries' foreign and finance ministers.

According to the agreement, Belizean authorities will collect the lumber at Sylvestre Camp, where it will be inventoried. Within 15 days, the Guatemalan Government will announce its decision whether to auction it off to and gain resources from it or return it to our country.

Another point that was agreed upon is to allow the use of boundary stones. To this end, both nations will carry out repair and clean up work within a radius of 15 meters of each marker.

"Both countries agreed to abstain from using threats or force against one another. They also agreed to avoid using their respective states as a base to attack the other or permit the use of their land for insurgency or terrorism."

Menendez said that the Guatemalan Government reported that it is in the process of forming the Council on Belize as an analysis and consultation instrument for the negotiations. Belize disclosed that it established the National Advisory Commission, which will advise its Foreign Ministry on the same matter.

He praised the two nations' determination to "form as soon as possible the delegations from both foreign ministries that will continue the negotiations to seek a definitive solution to the existing dispute. It is understood that any agreement reached will be submitted to a referendum in Belize and Guatemala."

Nicaragua

Guatemala's Serrano Advocates 'Joint Venture'

PA2104201393 Managua BARRICADA in Spanish 21 Apr 93 pp 1, 12

[Report by Maria Alicia Talavera]

[Text] Guatemalan President Jorge Antonio Serrano Elias said on 20 April: "I think we should begin a joint venture [preceding two words in English]—a joint adventure—between Guatemalans and Nicaraguans" aimed at attracting capital from other countries to Guatemala and Nicaragua.

Serrano made those remarks during a luncheon with Nicaraguan businessmen (merchants, industrialists, producers, bankers), one of the first activities on his two-day agenda in Managua. The Guatemalan president expressed an interest in becoming familiar with the areas in which "we could invest Guatemalan capital."

Serrano, who was welcomed with honors by his counterpart, Violeta Chamorro, explained that he did not come to Nicaragua to meddle in internal affairs, but "I am concerned about the political situation in this country," he said, acknowledging the change from an authoritarian regime to a system marked by greater freedom. "Building this transition process has proven very difficult," and its collapse "would be fatal."

Serrano urged businessmen not to abandon their political struggle but insisted that Nicaragua should be given another opportunity. "The Nicaraguan people are the primary axis. The question we must ask ourselves is whether we have made progress." Thus, he insisted to the businessmen: "If the government loses the support of groups like yours, it will lose support and strength."

Serrano said Guatemala is willing to create any instrument that will guarantee Nicaragua's participation in the regional economic integration process. Addressing Guatemalan Economy Minister Gustavo Saravia, he said that individual treatment for Nicaragua "should be a reality." This is one of the issues he will discuss at meetings with Chamorro, the first of which took place the afternoon of 20 April.

Hours earlier, in the presence of the Nicaraguan president, Serrano said that Central America should support Nicaragua to ensure its success and raise awareness levels of the Nicaraguan people and many organizations."

Serrano also received the keys to the city from Managua Mayor Arnoldo Aleman. Addressing Aleman and members of the Municipal Council, Serrano said that to consolidate a democratic process "it is necessary to exercise respect and tolerance and to receive contributions from everyone so all the organizations can develop and mature."

President Serrano, who arrived in the Nicaraguan capital 45 minutes later than the scheduled hour (1030), described himself as an "optimist regarding integration." He will sign the Managua Declaration with his counterparts from El Salvador, Honduras, and Nicaragua on 21 April in Managua, thereby broadening the economic integration process called "Northern Triangle."

The president said he expresses his views regarding Nicaragua's situation "as a friend" and he believes he has the moral authority because he has expressed his views in the past during "difficult" times.

He emphasized the Nicaraguans' ability to understand each other and the fact that the Sandinists have accepted pluralism in Nicaragua.

The Nicaraguan businessmen expressed their views to Serrano. Among the visiting president's guests were representatives from the banking sector, such groups as OCALSA [expansion unknown] and the Pellas [family-owned company], the Higher Council of Private Enterprise, the Chamber of Industry and Commerce, and pro-Sandinist businessmen and producers affiliated with the National Union of Farmers and Cattlemen.

Raul Solorzano of the Chamber of Industries said: "We need a special look," and he called for a period of special treatment regarding the regional integration process.

Gilberto Cuadra, former Cosep president, said he accepted Serrano's challenge but insisted that "our struggle remains political."

Exports Bank President Silvio Conrado said: "We must not exclude ourselves from the Central American economic group," but different guidelines are necessary in Nicaragua's case.

Silvio Pellas said that "we must participate as a bloc. I am very impressed with the progress made in Central America's integration."

In the evening at the Ruben Dario Theater, the government bestowed the Order of Jose Dolores Estrada on the Guatemalan president in recognition of his work to achieve Central American integration.

Weapons Inventory for OAS Announced for 19 Apr

PA2104194593 Managua LA PRENSA in Spanish 20 Apr 93 p12

[Report by Denis Garcia Salinas]

[Text] Foreign Minister Ernesto Leal said on 19 April that next week the Army will give OAS Secretary General Joao Baena Soares Nicaragua's updated weapons inventory.

Baena, who played a very important role in the work to observe the elections won by Violeta Barrios de Chamorro on 25 April 1990, will visit Managua next week to attend a meeting of the Tripartite Commission, to be held on 27 and 28 April, Leal added.

The Tripartite Commission, formed by the government, the church, and the International Commission of Support and Verification (CIAV), is investigating acts of violence in rural and urban areas that have taken place in the country in the past three years.

In 1990, Nicaragua delivered the first weapons inventory to the OAS and UN secretaries general. Costa Rica and Honduras are the other area countries that have given those organizations a list of their weapons. Leal said that Baena Soares will meet in Managua with President

Chamorro. He added the government will try to get Cardinal Miguel Obando y Bravo to attend that meeting.

Ex-Political Council Coordinator on UNO-Government Dialogue

PA2104163393 Managua Radio Corporacion in Spanish 2200 GMT 20 Apr 93

[Interview with Dr. Wilfredo Navarro, former political council coordinator for the National Opposition Union, by unidentified reporter; place and date not given—live or recorded]

[Text] [Reporter] Dr. Wilfredo Navarro, former political council coordinator, has said that the National Opposition Union [UNO] political council is ready to sit down and talk with the Nicaraguan Government and the Sandinist National Liberation Front [FSLN] to try and help solve the political crisis that affects every Nicaraguan. We ask what agenda the UNO political council will give the Nicaraguan Government and what demands will be presented at the dialogue. Let's listen to Dr. Wilfredo Navarro:

[Navarro] On 3 May we will hold a preliminary meeting with President Chamorro as a kickoff for the first stage of the dialogue. It is important to note that since November 1991, the government and UNO signed a series of agreements that specified that the national dialogue would take place in stages: first, the UNO-government dialogue; second, the UNO-government-FSLN dialogue; and lastly, a dialogue with the social and economic forces. Why is it set up that way? The main topic Nicaragua needs to resolve is the political crisis. Once the political crisis is resolved, economic and social issues can be addressed because political forces will be cooperating. The president invited the party presidents and the secretaries general to the 3 May meeting. Once the dialogue procedures between UNO and the government are outlined, the political council will decide what procedures to follow.

Regarding the dialogue, the FSLN believes the first round of talks should broach social and economic issues. That is a demagogic stance. They are trying to distort the solution to the Nicaraguan problem. By saying that only social and economic issues should be broached, the FSLN is evading problems for which Nicaraguans are demanding solutions, such as the property and human rights problems. Criminals must be brought to trial. Criminals must be ousted from the Army. One such case is that of Lenin Cerna, who has been accused by the Inter-American Commission on Human Rights of repeatedly violating human rights. All criminals must be punished, especially those who wear a uniform and hurt the people and who in the past committed crimes. The clandestine cemeteries are proof of those crimes.

The FSLN's strategy in going to a social and economic dialogue is to try to circumvent its responsibility for the pinata-like giveaway by remaining silent about the looting and robbery of government coffers. Paraphrasing Cardinal Miguel Obando y Bravo, reconciliation must include justice, and until there is justice in this country, until the Judicial Branch and electoral systems are restructured, Nicaragua cannot be a true legal state. We need to establish a legal state, but laws need to be applied equally for those who rule and those who are ruled. Right now there are second and first class citizens. First class citizens are government officials, FSLN commanders who act with impunity such as Humberto Ortega, whose bodyguard murdered the Genie kid. His bodyguards then ran over a little girl near Chinandega, and the impunity continues. As long as there is impunity in Nicaragua, there cannot be a solution.

That is why we demand a political dialogue in which the FSLN must responsibly accept blame for the mistakes that have been made and the crimes and robberies that have taken place. All of those things must happen if we are going to have a true national reconciliation.

[Reporter] Dr. Navarro, what would be the stumbling block if the president or the government turned down the petitions you have sent?

[Navaro] I doubt there is going to be a firm stance taken during this initial stage. Perhaps we will be able to outline UNO's seven-point agenda proposal. I do not think we should be too optimistic during this initial stage by thinking that we are going to obtain immediate results. Dialogue must develop so all sides can have the opportunity to reach an agreement. If we push for a quick solution, there will surely be difficulties that bog down the dialogue.

It might be a good idea to stress that the most important point in this meeting is to approve the agreement verification and follow-up commission. The commission will determine compliance levels for each agreement.

Resistance Party Sends Chamorro Letter on Principles

PA2104212193 Managua Radio Catolica in Spanish 1100 GMT 21 Apr 93

[Letter sent by the Nicaraguan Resistance Party, PRN, to President Violeta Chamorro in Managua; date not given]

[Text] Her Excellency President Violeta Chamorro, president of the Republic and defense minister;

Presidential Palace, Managua

Her Excellency: Among the principles of our party, we believe in the abolition of the Sandinist People's Army [EPS]. Therefore, we are opposed to the creation of the EPS Social Security Fund. Instead, we recommend the creation of the Teachers' Social Security Fund, Inprema, to benefit the teachers of our future generations.

In addition, we are opposed to the creation of the Military Academy. In its place, we recommend that an Education Center for the Homeless be created to benefit thousands of homeless children who roam the streets of

Nicaragua. Most of these children were made orphans by the recruitment of their parents, who were forced to fight their peasant brothers of the Nicaraguan Resistance.

It is our desire to state our commitment to the civilian government. We should also note that the Nicaraguan Resistance Party, PRN, is opposed and will continue to oppose the strengthening of the existing military structure, particularly given its party oriented nature.

[Signed] Sincerely,
Luis Angel Lopez Espinoza, Commander Leonel, PRN president
Luis Adan Fley, Commander Johnson, PRN secretary.

Copy furnished to the media.

Panama

Transportation Sector Announces Nationwide Strike

PA2204023793 Panama City Circuito RPC Television in Spanish 0050 GMT 22 Apr 93

[Text] The National Federation of Transportation Cooperatives has just announced a nationwide strike. The federation held a meeting that ended a few minutes ago. Here we have leader Luzmila Angulo, who made the announcement on behalf of the National Federation of Transportation Cooperatives, made up of many transportation unions in Panama.

[Begin recording] [Angulo] After an analysis of the most recent activities observed at the Legislative Assembly, we reached the conclusion that the strike announced for 1201 on 22 April will take place. We had to resort to this strike in view of the scorn we observed at the Assembly, where our concerns, which were presented in advance, have been disregarded. The legislators opted to discuss matters that are unrelated to the country's needs.

Consequently, we are at a decisive moment. We are asking the Panamanian people to understand. We did not take this measure on a whim. It is a necessary measure because it is our way to defend ourselves from the harsh treatment we have been receiving from the Assembly plenum, a plenum that intends to approve a law that is not in line with the needs of transportation workers.

[Unidentified reporter] How long will the strike last?

[Angulo] It will last 24 hours.

[Reporter] Who are you blaming for this strike?

[Angulo] The Legislative Branch, which has refused to heed our petition.

[Reporter] When will it become effective?

[Angulo] At 1201 on 22 April. It will end at midnight on the same day.

[Unidentified federation leader] I will read a decree issued by our organizations:

Our country's transportation organizations, in accordance with a decision made by their respective rank and file groups, agree:

1. To declare a 24-hour nationwide strike, which will go in effect at 1201 on Thursday, 22 April 1993.
2. To call all our rank and file groups to an indefinite strike next week if there is no serious dialogue and if the basic demands by the transportation sector, included in the Santiago Declaration of 5 December 1992, are disregarded.

[Issued] Panama City, 21 April 1993 [end recording]

'Association of Relatives of Invasion Casualties' Marches Toward Assembly

PA2104215193 Panama City Telemetro Television Network in Spanish 1730 GMT 21 Apr 93

[Text] The Association of Relatives of Invasion Casualties, formed in the wake of the 20 December 1989 U.S. invasion against Panama, marched through Calidonia toward the Legislative Assembly waving posters and shouting various slogans. The marchers were not allowed to enter the Legislative Assembly as visitors during the ordinary assembly session that took place on the evening of 20 April.

Retired Col Herrera To Participate in 1994 Elections

PA2104135693 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Apr 93

[Text] Retired Colonel Eduardo Herrera will participate in the 1994 elections. Hector Zavala, his lawyer, made the announcement:

[Begin Zavala recording] Col. Herrera is willing to assume the historic role that the Panamanian people's history demands of him.

He says that if it is necessary for him to participate in the 1994 elections, he is willing to do so.

His political friends are nervous because of it. This country's professional politicians and all the corrupt individuals are nervous because of it. They will continue to tremble because Herrera is not afraid. [end recording]

Zavala said that several political parties are establishing contact with Herrera in the face of the 1994 elections.

[Begin Zavala recording] Col. Herrera views Mina [National Integration Movement] with sympathy because it includes experienced popular political leaders. He also views Papa Egoro, Solidarity, and the Popular Alliance parties with sympathy. He views all new parties with sympathy. He feels that the only way to face an alliance that seeks a reelection is with a third force or alliance. [end recording]

Although he did not mention any names, Zavala said that political leaders have been visiting Herrera in jail. He added that there is no legal ground to keep Herrera at El Renacer Jail.

Alleged Traffickers Arrested in 'Drug-Free Chiriqui' Operation

PA2104194393 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Apr 93 p 1

[Report by James Aparicio]

[Text] A National Police spokesman disclosed that a group of eight alleged drug traffickers headed by former Panama Defense Forces member Balbio Zapata had been broken up on 21 April as part of the "Drug-Free Chiriqui" operation implemented in Puerto Armuelles.

In addition to Zapata, the arrested persons include Salvador Vasquez, Alcibiades Gomez, Rene Lopez, Manuel de la Cruz, Noris Nunez, a 17-year-old youth, and an unidentified woman.

According to the police, the alleged drug traffickers were arrested in David while processing a drug known as "crack."

At least 57 persons have been arrested in Chiriqui and Bocas del Toro since last 20 April, when the Attorney General's Office began its operation.

Likewise, the Chiriqui Higher Court confirmed the legality of the arrest of Enrique Omar Guerra, alias Pantaleon. According to the higher court's decision, there is no need to find any evidence of drugs to order an arrest.

Reverted Land Transferred to Colon Free Zone

PA2104163693 Panama City LA PRENSA in Spanish 21 Apr 93 p 1a

[Report by Ibeth Vega G.]

[Text] The Executive Branch authorized by means of an executive decree the transfer to the Colon Free Zone of 204 hectares of land located within the Atlantic zone reverted area.

The land transferred to the Free Zone reverted to Panama after the signing of the 1977 Torrijos-Carter Treaty. It is located in the Corregimiento of Cristobal.

The land ceded to the Free Zone jurisdiction includes six parcels of land totaling approximately 204 hectares. It includes at least 20 buildings and an area suitable for the possible construction of an airport.

The Free Zone will only be allowed to use the transferred land and buildings to promote Free Zone commercial activity and will not be allowed to sell, mortgage, dispose of, or tax said reverted assets.

Should any type of maintenance, construction, or expansion be required, the Colon Free Zone management will be required to first consult and coordinate with the Housing Ministry.

According to the decree, the transfer of the six land sites was carried out after several Free Zone businessmen requested the land to expand their facilities.

Argentina

Interior Minister on Administrative Reform Plan

PY2104223993 Buenos Aires BUENOS AIRES HERALD in English 21 Apr 93 p 11

[Text] (DYN-NA)—Interior Minister Gustavo Beliz yesterday axpounded on the administrative reforms proposed for the Federal Capital and promised cross-party discussions on the plans which will decentralize power from an elected mayor to new local councils.

The government's intentions were first revealed on Monday night by President Carlos Menem who focused attention on the direct mayoral elections which will be part of the package brought before Congress on May 1.

In an afternoon press conference, Beliz confirmed that under the reforms portenos will be able to vote in a mayor on a four-year mandate with the option of unlimited re-election. However he warned that this will not "magically solve" the capital's problems, but that "other deeper measures are also needed to decentralize" metropolitan affairs.

Other main aspects of the reforms are the reduction of political posts from 187 to 45 by scrapping councillors and neighbour-hood delegates and replacing the current City Council with a "Board of Representatives," giving residents greater control over the city's three billion dollar budget.

In terms of numbers, the Board will be made up of three representatives from each of 11 district administrations which will be created. "The idea is that each district has its representative who is concerned with real and everyday issues which matter to the community," Beliz said.

An ombudsman will also sit on the Board and will be directly elected in similar conditions to that of city mayor and the proposed 11 local mayors.

The Interior Ministry's Institutional Relations Secretary Abel Fleitas Ortiz de Rosas further explained the plan to create 11 local administrative districts, each one with roughly 230,000 inhabitants, on local radio yesterday. "Buenos Aires has three million residents and is the only district of a similar size in the country which has such a centralized leadership. This distances the political authorities from the people, and vice-versa," he said. Another proposed means of returning power to the people are plebiscites on all major rulings.

The financial arrangement between the central administration and local mayoral offices will be similar to that of the national federal structure, with taxes collected centrally and redistributed in proportion to the original district contribution.

With the plan to bring the 150-point reform proposal before Congress in its May 1 ordinary sessions, Beliz said that the government will start to meet with the main political parties this week for "an exchange of options" on the proposals.

The proposals have already received the support of National Mortgage Bank President Adelina de Viola, who recognized direct elections for mayor will give the "firm hand" necessary for this post. However dissident Peronist Deputy Carlos "Chacho" Alvarez called for an elected municipal convention to determine the city's institutional structure and "make the capital less vulnerable to the intervention of national powers."

President Dedicates Heavy Water Industrial Plant

PY2104163793 Buenos Aires TELAM in Spanish 2100 GMT 20 Apr 93

[Text] Arroyito, Neuquen, 20 April (TELAM)—During the ceremony in which he dedicated a heavy water industrial plant, President Carlos Menem today underwrote his administration's economic policy and endorsed the peaceful use of atomic energy.

Menem underscored "the stability" of Argentina's economy, which was achieved thanks to the convertibility plan. He said that the privatization plan has brought about "a historic change in the Argentine Republic" that has been instrumental in "making our country prosper." He said that with the proceeds from the privatizations undertaken by the executive branch, "we are paying the government's domestically contracted debt—especially what we have with pensioners; we have settled our external debt with the IMF and joined the Brady Plan."

Menem added that now that an agreement has been signed with the committee of creditor banks, "we have a 30-year deadline to pay our debts."

Menem asserted that Argentina currently is acknowledged to be "a country that is on the leading edge of nuclear technology," adding that atomic energy "will be used for peaceful, not military, purposes."

Menem made these remarks during the inauguration of the heavy water industrial plant in Arroyito, located 50 km southwest of Neuquen city.

Neuquen Province Governor Jorge Sobisch, Deputy Governor Felipe Sapag, and Manuel Mondino, chairman of the National Commission for Atomic Energy, were present at the ceremony.

During his speech, Menem said that once the construction of the Atucha-2 nuclear power plant is completed, "there will be 2,000 new openings." He pointed out that the Arroyito plant will enable the country to obtain yearly returns amounting to $60 million.

At one point during his speech Menem paid tribute to General Juan Peron, whom Menem defined as "my politics master." He pointed out that "if today we have

developed nuclear technology in Argentina, we owe it to Peron, for he laid the keystone."

Menem recalled that 35 years ago, Argentina ranked 10th among the world's leading economies and that "owing to clashes and mistakes, we were demoted to No. 75." He asserted that "we now are regaining lost ground."

He noted that in order to do so one must keep on working "without turning our thoughts to the upcoming elections, but rather thinking about future generations," because "it is time we left aside partisan standards to opt for the Argentine one."

Having finished his address, Menem went to the plant's controls, where he symbolically launched the plant's operations.

Once the official ceremony was over, Menem left for San Carlos de Bariloche to attend the opening ceremony of an international conference on drug abuse.

The head of state arrived at Arroyito after holding working meetings with Sobisch and his cabinet members in Neuquen city, where he also dedicated a new central market for vegetables.

During a news conference he gave around noon, Menem announced that this year the government will invite firms to tender for the construction of a bridge between the cities of Neuquen and Cipolletti, located in Rio Negro Province.

Further on Plant

PY2104173493 Buenos Aires TELAM in Spanish 2144 GMT 20 Apr 93

[Text] Buenos Aires, 20 Apr (TELAM)—In launching the operations and functioning of the heavy water industrial plant (PIAP), officially dedicated today by President Carlos Menem in Arroyito (Neuquen), the national government has taken a firm and resolute step toward technological independence in the nuclear energy field.

The need to guarantee supplies of that critical component, produced on an industrial scale by only a reduced number of countries, basically aims at covering the needs of the Argentine nuclear plan, based on the nucleoelectrical plants running on natural uranium.

The CNEA [National Commission for Atomic Energy] believes the first tonne of heavy water will be obtained from PIAP during the first half of 1994, and consequently the rented heavy water will be returned to Canada.

The PIAP will help supply 460 tonnes of heavy water to the Embalse nuclear plant and 560 tonnes the Atucha-2 plant will need. Atucha-2 is still under construction. This total production will also help meet the unsatisfied demand for heavy water in the world.

The industrial complex opens an interesting set of expectations internationally because it offers export possibilities and development of complementary projects.

The development of PIAP's engineering project began early in 1980, when the CNEA signed a contract with the Swiss company Sulzer Brothers Ltd., the main contracting company, for the construction, assembly, and operation of a heavy water plant.

The subcontractors are Techint S.A., Sideco, Dycasa, Losinger, Siemens, and Sulzer Argentina.

The document states that CNEA will receive the "turnkey" of an industrial plant with an initial production capacity of 250 tonnes per year, and a guaranteed minimum production of 200 tonnes yearly.

Sulzer has assumed responsibility for the general management of the design of the basic engineering process, provision of equipment, quality control, operation, and training of personnel, as well as general technical assistance and insurance against all risks.

A credit from Swiss banks to be paid in 19 years, with a five-year grace period, will cover 85 percent of the imported components supplied by Sulzer. The total cost of the undertaking reached $1 billion.

The heavy water plant will be operated by the Neuquen Company of Engineering Services (ENSI), a firm established in December 1989 for that purpose.

Its capital shares are made up of 51 percent in the hands of the Neuquen Government and 49 percent in the hands of CNEA, which will oversee the activities and administer the heavy water produced.

Defense Minister on Suspension of Air Force Flights

PY2104153593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2233 GMT 20 Apr 93

[Text] Buenos Aires, 20 Apr (NA)—Defense Minister Oscar Camilion today admitted that the Air Force "is not flying because it has to administer its resources," and explained that although the prospects are "disastrous," Argentina "is not defenseless" because if its sovereignty "is threatened it will not be necessary to allocate funds to fly the aircraft."

Brigadier Jose Julia, Air Force chief of staff, warned that "if the budget problem is not solved, personnel will have to be dismissed and several units closed down."

Camilion met at the Air Force headquarters with Julia and 22 other brigadiers posted throughout the country, who reported on the Air Force's needs and the activities planned for this year.

After the meeting, Camilion said the brigadiers had described the Air Force's problem as a "comprehensive problem that did not start today but rather has been dragging on for many years."

Camilion admitted that "no operational flights are being carried out currently" and confirmed that 1 May "is the date on which LADE [State Airlines] flights in Patagonia might be suspended."

Camilion also revealed that he is discussing the suspension of flights with the Economy Ministry and recalled that the 10 percent reduction in the national budget was made when his predecessor Erman Gonzalez left the ministry.

Camilion noted: "No adjustments were made and the Finance Ministry made the reduction on its own account. The subject must be discussed by the two ministries."

During his meeting with the media, Camilion said the word "defenseless" is "much too strong a word" to describe the situation prompted by the suspension of flights, and added that it is a possibility that can "neither be considered nor accepted."

The defense minister said: "I believe this is a very important situation with a disastrous prospect that deserves full attention. We must find a way to solve this problem."

According to Camilion, Air Force members "are fully aware" that the budget problem "can hardly be solved" this year.

He also added that Armed Forces personnel have taken "a common and quite brave decision to accept the situation as it is."

He ended by stating that "the price paid for this situation is high, and society must be aware that the force's best men are leaving."

Moreover, Julia explained that during the meeting with Camilion the brigadiers did not make any demands but rather "explained the situation the force is enduring."

He also said military flights had been suspended because the aeronautics budget was reduced about 10 percent.

Julia commented: "I cannot reduce the salaries, and the real reduction amounts to approximately 52 percent, which covers expenditures related to the force's operation, fuel, and spare parts, and we do not have that money."

Like Camilion, Julia said the suspension of flights "does not mean the force cannot fly an aircraft at any moment," but added that "only God knows who will pay if a flight must be made should an emergency surface."

Today's meeting was the first Camilion has held with the Air Force high command since he became defense minister. Tomorrow he will meet the Navy high command and on 22 April the Army leadership.

During today's meeting at noon, Camilion was accompanied by Military Affairs Secretary Vicente Massot, Planning Secretary Guillermo Etchetchoury, and Joint Chief of Staff General Mario Candido Diaz.

Brazil

Lula Criticizes U.S. Treasury Under Secretary's Comments

PY2104125493 Rio de Janeiro O GLOBO in Portuguese 20 Apr 93 p 5

[Article by Jose Meirelles Passos]

[Text] Washington—At the end of a one-week visit to the United States, where he is being treated as a candidate for the presidency of the Republic in the next elections, PT [Workers Party] President Luis Inacio Lula da Silva yesterday exchanged harsh words with U.S. Treasury Under Secretary Larry Summers regarding the Brazilian situation.

The disagreements became obvious when Summers said that in order to attract more foreign investments, Brazil should imitate Argentina, Chile, and Mexico by promoting a tighter adjustment, a true privatization process, and a more effective struggle against inflation. Lula did not like to be compared and answered that the United State could not grant Brazil "an economic treatment" similar to the one granted to those three countries.

In a higher tone of voice, Summers replied:

"What Brazil needs now is somebody with Carlos Menem's or Carlos Salinas' courage," in referring to the presidents of Argentina and Mexico, respectively.

The Treasury Department refrained from commenting on the meeting. Lula, however, confirmed the meeting's tone and said the comparison with neighboring countries was unfortunate because Brazil has a different profile.

Lula said: "Brazil is a strong, industrial-minded country."

Summers then recalled that despite the market reserve on the informatics industry, it did not yield any benefits for Brazil.

Later, when he told the media about his dialogue with Summers, Lula criticized the under secretary.

The PT president said: "I have not come to negotiate anything. I am not the president of the Republic nor an economy minister. Everyone knows, however, that Summers worked for the World Bank and that he had a lot to do with the economic programs that failed in Brazil."

Plebiscite Voting Reported 'Calm' Nationwide

PY2104182893 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 21 Apr 93

[Excerpts] More than 90 million Brazilians nationwide are voting today on a plebiscite to choose the style and

system of government: monarchy or republic, presidential or parliamentary system of government. The novelty of this plebiscite is the implementation of the nonresident vote [voto em transito], which is causing long lines at the special voting stations set up for this purpose. In view of long lines in Brasilia, some cabinet members and government officials decided not to vote in the morning but promised to do so in the afternoon.

The following is a live report from Brasilia by Luiz Carlos Braga on how the Electoral Court is monitoring the voting nationwide:

[Begin live relay from Brasilia] [Braga] According to the Electoral Court, the situation is calm nationwide; the only problem on record occurred here in Brasilia regarding the nonresident vote.

The number of nonresident voters is far greater than expected. Moreover, many balloting table assistants did not show up to work. In view of this, some people were summoned when they were voting. Because some refused to follow these orders, they were arrested.

President Itamar Franco voted this morning at the nonresident voting station in the satellite town of Guara. The following is a report by Carlos Magno.

[Magno] [Passage omitted] After voting, the president granted a confusing interview to journalists. During it, the president said he has supported the parliamentary system of government since his youth but that he will respect the will of the people if the presidential system of government wins.

He also said he is not afraid of the government opposition that, as already has been announced, will be launched after the holding of the plebiscite. [passage omitted] [end live relay]

Electoral Court Releases Partial Results

PY2204040593 Rio de Janeiro Rede Globo Television in Portuguese 0340 GMT 22 Apr 93

[Text] We will now disclose the latest vote returns issued by the Superior Electoral Court [TSE]. The work here at the TSE is slow. So far 8.3

of the votes cast throughout the country have been counted.

The results are the following:

Form of government: 68.9

for a republic, and 10

for a monarchy. The amazing thing is that the number of blank and null votes amounts to double the number of votes [three-second cut in transmission].

System of government: 23.9

for parliamentarism, and 58.7

for presidentialism.

These are the official and partial results of the TSE vote count. The work here will continue until the final result has been obtained, and it will only be officially disclosed on 3 May.

New Government Plan To Mark End of Transition

PY2104130393 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 20 Apr 93

["Commentary" by Alexandre Garcia from Brasilia]

[Text] The cabinet meeting that will be held on 24 April will mark the end of the transition stage of the Itamar Franco administration.

There may even be a cabinet reshuffle, according to statements by some ministers, who base that on the following: On 24 April the government will at last have a budget and a plan of action. Thus, the transition stage will end and a definite stage that will last 20 months will begin. The idea is that the whole cabinet, except for the finance minister, will spontaneously tender its resignation to the president to give him freedom to modify the cabinet. Those who remain will be confirmed in their posts.

Just a short while ago, I asked President Itamar Franco about that possibility, and he replied that he considers it a hypothesis, but if this hypothesis does become true, he will examine the resignations case by case.

The 1993 government program that will be discussed in the 24 April cabinet meeting is based on the rediscovery of development as a source of solutions to social problems. There will be great stimulus to some fields that yield fast results like civil construction, running water and sewage public works, agriculture, nourishment, and labor-intensive exports. There will be support for small and medium-sized companies and production growth in fields that can generate employment immediately like auto, naval, and construction material industries, which by themselves can generate more than 100,000 jobs. There also will be investment in infrastructure to promote development, like the renewal and modernization of roads, railways, and ports, and more available energy.

The program includes an eminently social section that consists of a plan to combat hunger and poverty that also foresees [words indistinct] energy fares.

Planning, Finance Ministers on Plan

PY2104141493 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Apr 93

[Text] Planning Minister Yeda Crusius has anticipated some of the main measures of the government plan that President Itamar Franco intends to announce on 24 April at the ministerial cabinet meeting.

One of these measures is to reduce the inflation rate to 17 percent in December, and the other is to fight the financial carousel with incentives for productive activity through a modernization of the economy.

According to Minister Crusius, fighting misery and overwhelming support for privatization are two other measures to be announced by the president.

Finance Minister Eliseu Resende also has confirmed that the government is studying the possibility of eliminating three zeros from the cruzeiro. He confirmed that President Franco is studying this measure.

He added that this measure will be decided at the economic team meeting scheduled for 23 April. This meeting will prepare for the ministerial meeting scheduled for 24 April.

The finance minister added that the government will have to propose incentives for the agricultural and civilian construction fields.

Foreign Minister Fernando Henrique Cardoso said President Franco will show at the ministerial cabinet meeting on 24 April that the country has the resources to solve the economic crisis. Cardoso established two basic points of the government's goal as of 24 April: distribution of revenues anó streamlining public finances.

In addition to fighting inflation and negotiating the foreign debt, the minister feels that the internal debt is an important issue in the resumption of the country's economic growth.

Guidelines of Program Announced

PY2104151793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Apr 93 Economic Section p 1

[Article by Beatriz Abreu]

[Text] Brasilia—The reduction of inflation from the current 30 percent monthly to a level of 17 to 18 percent in December, the gradual and selective resumption of economic growth, and the end of the financial carousel are the main points of the government program President Itamar Franco will announce during the 24 April cabinet meeting.

Finance Minister Eliseu Resende will give details this week on the measures to start the process of "thawing stagflation" (recession with inflation) to resume growth and curb inflation without the implementation of "heroic measures" or intervention in the financial system. A Planalto Palace spokesman said: "The terms of contracts will not be broken."

The president wants the government to fulfill its function, in other words to be the "main chief" for regaining investments, with priority given to social projects, civil and naval construction, road repairs, and snacks for schoolchildren. The government will resume the construction of 200,000 houses that was stopped for lack of resources and will create the conditions for the liberation of financing for the purchase of houses by the middle-class and low- income sectors. It also will publish 40 bids for the repair of federal roads.

Financial Carousel—The end of the financial carousel will be obtained with the resumption of development. The strategy does not foresee the end of the Big Fund or financial investments in a general way, but its actions are aimed at hindering speculation. Advisers said: "Businessmen will be encouraged to abandon speculation and return to investments because the government will show that they will earn much more money investing in production."

Economic Growth—The official banks will have a decisive participation in the government program. There will be no shortage of resources or favorable conditions for interest rates to satisfy the needs of the business organizations that join the proposal to fight inflation with economic growth. The small and micro companies will get special treatment with monthly credits of 250 billion cruzeiros from the CEF [Federal Savings Bank]. Advisers said: "The micro companies will return the credits with the creation of new jobs and greater production."

Agricultural Production—The agricultural sector will be strongly supported with measures that guarantee the purchase of the agricultural harvest. Farmers will have guaranteed credits to build silos and warehouses. The government is concerned about the tons of grain lost in every harvest for lack of storage facilities. A Planalto Palace spokesman said: "Now the government will give money, conditions for storage, and guarantees for the purchase of production."

Foreign Debt—The government program has a solution for the foreign debt problem. Finance Minister Eliseu Resende explained the resources that will be used to rescue government securities such as revenues from the provisional tax on financial operations and the so-called moedas podres [papers the government released to finance its debt and never paid] of the privatization program. Resende indicated that until late this year the government will have about $8 billion in moedas podres to reduce the public sector's debt.

Privatization—The measures to speed up the privatization program have not been detailed yet. Government legal advisers are evaluating the sale of shares of important state companies such as Telebras [Brazilian Telecommunications, Inc.], Petrobras [Brazilian Petroleum Corporation] and Eletrobras [Brazilian Electric Power Company, Inc.] on the stock market. In these cases the government would keep only the shares necessary for controlling the companies.

* Congress Approves Budget for 1993

93SM0216A Sao Paulo VEJA in Portuguese 7 Apr 93 pp 18-20

[Text] The General Budget of the Union for the year of our Lord 1993 has been approved. Judging by appearances, Brazil has put itself back on the list of nations that are at least minimally civilized, the ones that know how much revenue they are going to collect and how much they will have to spend during the year. Until last Wednesday, as economic commentator Joelmir Beting remarked, Brazil was in the same situation as Bosnia: without a budget. Looking beyond appearances, the country missed a great opportunity. During a bureaucratic session conducted without the debates that are supposed to accompany important votes, the Congress approved, 326 to 31, a budget that keeps the country moving, but on an undefined course and without a single national priority. From its 6,000 pages emerges a disoriented state with too little cash to permit investments, a government that ended up $3.5 billion poorer than it was last year and has the gall to spend badly, very badly, the little it has.

The budget proposal spent seven months in the National Congress and went through two presidents and four finance ministers. No one imagined that out of such turbulence would come a document crystal-clear in its priorities and fertile in its investments. All that was expected was a carefully considered, reasonable, budget. In sharp contrast, however, the legislators retained the improvisations and confusion in the administration's proposal and turned down the chance to point the way for this country. The total budget is $240 billion. The lion's share, more than 95 percent, is fixed: it was committed ahead of time to payment of both domestic and foreign debt, operating costs, and the constitutionally-mandated transfers to states and cities. The Congress got to tinker with only 3.54 percent of the total, a tiny percentage that represents a mountain of money: $8.5 billion (see chart). This chunk of funds was pulverized into minor projects, tailor-made for local election districts.

Dividing the Pie
The 1993 budget totals $240 billion, of which Congress reshuffled 3.54%, or $8.5 billion

Debt Payment	49.0%
Health & Social Security	23.0%
States and Cities	9.0%
Housing and Sanitation	4.0%
Armed Forces	3.4%
Education	3.0%
Infrastructure	2.0%
Agriculture	2.0%
Others	4.6%

Portion of 1993 budget juggled by Congress: 3.54%, or $8.5 billion

Health	4.7%
Housing and Sanitation	26.0%
Education	9.4%
Regional Development	20.0%
Infrastructure	22.3%
Agrarian Reform	5.3%
Drought Relief	2.3%
Science and Technology	1.8%
Other	8.2%

Note: Compared with the 1992 budget, legislators cut health funding by 40 percent and education appropriations by 20 percent.

What came out of Congress was a stack of paper that makes no provisions for paying the 147 percent increase to pensioners, or even to fund civil servants' salaries. Instead, it allots $27 million to the Office of Vice President of the Republic, a post assumed to be vacant after Itamar Franco took over permanently as president. As evidence that funds were allocated without thorough discussion, the budget gives $350 million for the purchase of school buses, but only $300 million to expand and maintain the schools. By reading the text enacted by Congress, we find that legislators think it is just as important to build new roads as new schools, and so they earmarked $800 million for each sector. They think it is less important to build hospitals, for which they provided $400 million. "The problem is not just the volume of funds, but that they are not well spent," concluded Sao Paulo Deputy Jose Serra (PSDB) [Brazilian Social Democracy Party]. "Thousands of unnecessary projects are provided for in the budget."

Haggling

The budget study got off to a bad start. There were 120 legislators on the committee assigned to analyze it—too many for a discussion involving both political and technical issues. No party made a comprehensive proposal concerning the budget; they let the members of their delegations hack it to bits in a logrolling spree. The 584 deputies and senators include experts in public finance and budgeting. None of them rolled up their sleeves to take care of the problem. They let second and third-echelon legislators make their mark on the committee. In the absence of debate among the legislators, and given the lack of high-level clashes that are indispensable in defining any priority, they haggled over 75,000 amendments, most of them reflecting parochial interests. It became impossible to give the budget any homogenous leadership, and the practice of pulverization—i.e., funding small projects in the legislator's home districts—set in. In sanitation works alone, there are appropriations for four ministries; each will be able to build the sanitation project of its choice. Under the heading of federal highways we find another example. Roads could be repaired in seven years if the Congress were to

dedicate an appropriation for that purpose. Instead, it decided to dispatch a $530 million chunk to build roads between towns, access roads for cities, and state highways—projects outside federal jurisdiction. The result is that, at the rate things are going, it will take 12 years to overhaul the federal highways instead of seven. This practice is terrible for the country, but good for filling baskets with votes.

In some cases, the budget contains complete contradictions; in others, pure nonsense. The Minas Gerais delegation in the Chamber, for example, managed to raise $15 million to jump-start the Belo Horizonte subway, a system plagued by route confusion and mysterious financial leverage that has gotten nowhere in ten years. Those same legislators were able to grab another $10 million to begin a very similar project in the same city, a VLT, or surface rail system. How can deputies from a single state fail to agree on the most suitable means of transportation for their capital city, yet agree to spend money on two different alternatives?

Botched

"The budget is the biggest fantasy in Brazilian politics," says Sao Paulo Deputy Aloisio Mercadante of the PT [Workers Party]. "The government pretends that it develops the budget, the Congress pretends it changes it and, finally, the government pretends that it is carrying out the wishes of the legislators," said Deputy Delfim Netto, Sao Paulo PDS [Democratic Social Party]. In the course of this festival of pretense, the budget became a faithful portrait of what is lacking in this country—direction, money, a government, and even an opposition. Not a single minister felt moved to address the full Congress to defend the government's package. But quite a few ministers were worried about increasing their own share, which means they were working against the same administration of which they are members. Alberto Goldman, of Transportation, sought out rapporteur Mansueto de Lavor last year. "This thing here is all botched up," the minister said, referring to the administration's proposal that gave him $1 billion. Goldman made such a fuss that he got $3 billion for his department.

His colleague at Agriculture, Lazaro Barboza, lost out in the arm-wrestling within the administration and so went to Congress to make sure that $4 million would be allocated to Pro-Agro, the insurance the government pays the farmers. He got it. Others who helped kill off Planalto Palace's proposal were the superintendents of SUDAM [Amazon Regional Development Superintendency] Frederico Andrade, and SUDENE [Northeast Development Superintendency] Cassio Cunha Lima. These two split equally the $140 million that the administration had wanted to invest in agrarian reform. Oddly, Alberto Goldman, Lazaro Barboza, Cunha Lima, and Andrade are members of the same administration.

Generosity

Brazil is immersed in a crisis, has gone through the hell of a lost decade, and is getting poorer with each passing day. No Congress in the world can solve problems of this magnitude with a bookkeeping document. But it certainly could perform a financial endoscopy on the country when it approves a budget. Since it is not doing that, it produces such aberrations. Brazil has not faced conflicts of any sort with the other 180 nations on the planet, and its Armed Forces, with the departure of its favorite enemy, communism, are undergoing an identity crisis and do not know just what they are supposed to do. Even so, they will eat up $8.1 billion this year. The education sector, which knows perfectly well what its role should be in a country inhabited by 18 million illiterates, will receive $7.2 billion.

Not a single voice was raised within the administration or in Congress to spark a debate on this discrepancy in spending. On the contrary, rapporteur Mansueto de Lavor received a demand from the Ministry of the Army, which wanted $18 million to build roads. Greatly impressed, he responded generously by giving the Army $20 million—the small change was to help preserve historic monuments. On issues like that one, even the opposition is silent. None of the parties expressed any major reservations about the government's proposal—not even the PT, which voted in large numbers against the budget but ranked third in terms of amendments inserted, grabbing almost a half a billion dollars.

With so much confusion, Brazil will build hospitals in 1993, but will have no money to equip walk-in clinics. The administration will spend on public works, but made no provision for paying its employees, so the public will continue to get poor service from government offices. When the 1964 regime was on its deathbed, there was discussion as to the need for Congress to debate and vote on the budget instead of approving it without debate. It is better for the country that the legislators hold the debate. Under the military governments, which kept the Congress under control with cassations and bayonets, deputies and senators were entitled to earmark only 1 percent of the budget, since the fate of the remainder had already been predetermined by Planalto Palace. At the time, the country was not even allowed to know exactly how much the government was spending. Today, it knows. But the Congress failed to take advantage of a unique chance to talk about this country and guide its growth.

Minister Correa 'Condemned' Governor Brizola on TV

PY2104213493 Rio de Janeiro O GLOBO in Portuguese 20 Apr 93 p 5

[Text] Brasilia—In an announcement over a radio and television network on 19 April, Justice Minister Mauricio Correa condemned Rio de Janeiro State Governor Leonel Brizola's position on President Itamar Franco. Correa justified appearing on television, "even if it

meant going against the leadership of the PDT [Democratic Labor Party]," to preserve Franco's "moral patrimony."

Correa said that governors should not make empty, useless, and political charges. He thus referred to Brizola's criticism of the privatization process of the CSN [National Steel Company].

Correa made it clear that he was not breaking with the PDT, and indicated that he would "democratically" await Governor Leonel Brizola's reply.

Correa said: The country knows that Franco is an honest and dignified man. It is because of my conviction over the civic integrity of Franco that I am announcing this stance, even though I am going against the leadership of my party, which wants to break with the government.

The announcement over a radio and television network, the first during Franco's government, was suggested by the justice minister. A meeting was held late this morning between Correa; Minister Mauro Durante (secretary general of the presidency); Minister Henrique Hargreaves (civilian household); Jose de Castro Ferreira, the Federal Government lawyer; Alexandre Martins, the general adviser; and Franco. At that time, the president acquiesced to the arguments of his aides and decided to answer in grand style.

Several courses were evaluated, from a briefing [preceding word in English] to an official note. A Planalto Palace adviser explained that a national network was chosen in order to give a solemn answer.

Correa, whom Brizola "would like to see out of the government," prepared to give an answer. He asked for permission to telephone the governor beforehand. Franco agreed, but preferred not to listen to the conversation, which took place in his office. During a 10-minute telephone conversation, Correa told Brizola that he would answer the accusations that night. It was a harsh conversation:

"I am staying in the government and I am staying in the PDT. If you want to, you can expel me," Correa is believed to have said, according to a government adviser.

Although he assumed the burden of answering, Correa—according to another government adviser—could not hide the fact that he was upset. Franco even suggested that the answer could be made today, but Correa preferred to answer on 19 April. At the end of the conversation, Correa tried to explain:

"With Brizola it is not a question of posts. It is a question of character, of personality. Out of loyalty I telephoned to advise him that we would respond."

According to one adviser, Brizola hung up on him.

Franco Explains Appointment of Nephew As Private Secretary

PY2104003693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 20 Apr 93

[Text] The Presidency of the Republic has commented on the appointment of journalist Ariosto Carlos Borges Franco, nephew of President Itamar Franco, as private secretary of the president of the Republic.

Before being accused of nepotism, President Franco instructed President Spokesman Francisco Baker to explain that there is nothing illegal about the appointment because the law states that only spouses, companions, and relatives closer that twice removed are prohibited from being appointed as immediate subordinates in any public post. Journalist Ariosto Carlos Franco is three times removed from President Franco.

Franco also asked Baker to explain that he had invited three different people to occupy the post, although he did not mention who. Franco said that the first person he invited turned down the offer on the grounds that he was too old to stand the political attacks caused by the early presidential campaign. The other two turned down the offer because they live in other states and maintain that they would not be able to live with their families in Brasilia on a salary of 35 million cruzeiros. The only one left then was the president's nephew, who was already acting private secretary.

Gallotti Appointed STF President, Brossard Vice President

PY2104012493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 93 p 5

[Text] Brasilia—Judge Octavio Gallotti was yesterday elected president of the Federal Supreme Court (STF). By a 10-1 vote, STF members followed the tradition of electing an STF vice president to succeed the current STF president, Sydney Sanches. Gallotti, who is 62 years old and is scheduled to be installed in his new post on 13 May, will preside over the STF for the next two years.

Moreover, STF members also elected Judge Paulo Brossard as STF vice president. In view of this, Brossard will be leaving the Superior Electoral Court (TSE) to devote himself exclusively to STF affairs. Brossard will be leaving the STF vice presidency in October 1994, when he reaches the compulsory retirement age.

'Leftist' Priests 'Rebel' Against Archbishop in Pernambuco

PY2104000593 Sao Paulo VEJA in Portuguese 14 Apr 93 p 69

[Excerpt] Holy Week was a time of faith and repentance in the 3,000 dioceses of the Catholic Church throughout the world, all except for the Olinda and Recife archdioceses where, for the third consecutive year, it was a time during which resentment and intolerance were

expressed. The problem is between Archbishop Jose Cardoso Sobrinho and 80 of the 200 priests his dioceses. Last Thursday, 8, instead of participating in the foot-washing ceremony, they boycotted the archbishop's ceremony. They refused to attend mass during which Cardoso Sobrinho blessed the Holy oil, one of the Catholic Church's decisive ceremonies during which the priests renew their vows with the church. Father Reginaldo Veloso, a spokesman for the group said: "Our movement opposes Archbishop Jose's destructive action."

The 80 rebel priests uphold the Liberation Theology, a trend of leftist priests which radically disagrees with Cardoso Sobrinho, a conservative who is aligned with Pope John Paulo II's line of thought. Some 67 priests loyal to the archbishop participated in last Thursday's mass, at Alto da Se in Olinda. This is the smallest number of priests to participate in this mass in the past 5 years. A group of laymen joined the boycott organized by the priests and held a parallel mass in the Morro da Conceicao Church on the outskirts of Recife. Professor Helena Lopes, a member of the laymen group that disagrees with Archbishop Cardoso Sobrinho, said that "the progressive line continues to be united and articulated."

The conflict started in 1985 when Archbishop Cardoso Sobrinho replaced Father Helder Camara and started changing the course of the church in Pernambuco. Helder, a symbol of the Liberation Theology, encouraged the activities of laymen organizations, such as the Church Rank and File Communities [Comunidades Eclesiais de Base] but Archbishop Cardoso Sobrinho did the opposite. Fond of processions and solemn masses, he has eliminated organizations and activities of a political nature. During the past six years he closed down two seminaries, ordered the intervention of the Rural Pastoral and the Justice and Peace Commission, and dismissed eight priests who refused to follow his orders. [passage omitted]

Extensive INAMPS 'Fraud' Triggers Inspection

PY2104034993 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 20 Apr 93

[Text] The National Accounting Office will carry out an extraordinary inspection of the INAMPS [National Institute for Social Security Medical Assistance] and of the single health system for all Brazilian states. Judge Marcos Vilaca said that fraud within INAMPS is causing the government 46 trillion cruzeiros in losses every year, and that INAMPS itself has verified that there are fraud rings in more than 80 percent of the hospitals having contracts with INAMPS.

Plan To Save Engesa Plant, Technology Viewed

PY2004235193 Sao Paulo ISTOE in Portuguese 14 Apr 93 p 56

[Text] The Brazilian citizen pays 58 visible types of taxes. There are also the concealed taxes. This public money is used to fill the gaps created by the bankruptcy of state and private companies. A new version of that type of tax is creeping surreptitiously, awaiting the opportune moment to strike. Perhaps it should be called the rattlesnake tax [imposto cascavel]: it will be used for the recovery of Engesa [Specialized Engineers, Inc.], the manufacturer of the famous military tanks Urutu, Jararaca, and the Cascavel. During the 1970's and 1980's, this private company exported $2.6 billion worth of products to 28 countries. But now its creditors have been waiting for money since March 1990 and it has been accruing debts estimated at between $200 and $400 million.

The Brazilian Army, through its War Materiel Industry (Imbel), assumed Engesa's financial responsibilities in 1989, agreeing to roll the debts and pass it back to private hands. The problem is that investors did not show any interest in the indebted company, even with a rescheduled debt. Without even the money to feed and provide uniforms to all its recruits, the Army cannot deal with this problem alone. The Army needs Engesa, which supplies 90 percent of its equipment and which today owes the Army more than 1,000 vehicles. According to Strategic Affairs Secretariat (SAE) sources, 90 percent of the cost of that order for trucks, jeeps, and tanks—some $100 million—was paid to Engesa during the government of Jose Sarney.

Because of the Army's decision to wait, Engesa is on the brink of bankruptcy. The conclusion is that if the military wants to keep the company functioning, maintain the developed technology, and receive its vehicles, the only alternative will be a large default on the company's creditors headed by the Bank of Brazil and the BNDES [National Bank for Economic and Social Development].

General Armando Paiva Chaves, chief of the War Materiel Department (DMB), who is coordinating the attempts to help Engesa, told ISTOE in Rio de Janeiro that "Engesa's rescue is fully justifiable because it is a strategic company." Arnaldo Araujo Souza, the BNDES representative in Sao Paulo, has admitted that the bank and the other creditors are facing a default.

The military consider that one way to implement the rattlesnake tax, which seeks to save the part of Engesa that interests the Army, would be to go through with the company's bankruptcy. Prior to this, a decree would be issued to expropriate, "for reasons of national interest," its most important factory in Sao Jose dos Campos (Sao Paulo). The units in Salvador and Barueri (Sao Paulo) would be auctioned, producing less than $40 million. The creditors would be forced to accept that piece of the Engesa bone while the filet mignon of the company would go elsewhere. The cost of the expropriation—approximately $35 million—would be sufficient to cancel the workers' debt. Without its debt, the Sao Jose dos Campos factory could be rented. A favorite group for the deal already exists: The giant British Aerospace Company, the greatest European complex in the area of defense.

General Paiva Chaves, from the DMB, does not conceal his enthusiasm with British Aerospace, even though that company is not in excellent condition. It accrued $250 million deficit during the first half of 1992. Paiva Chaves and Army Minister Zenildo Zoroastro traveled to London last February at the invitation of British Aerospace aboard one of the company's planes. The future of Engesa was one of the points discussed. The DMB chief stated that any negotiation involving Engesa will be carried out without any competition. The British industry would thus be associated with Brazilian investors and also with Imbel. That idea is criticized by some.

"A public, transparent, bid, with the participation of private companies and a foreign company like British Aerospace would be a valid solution," said General Diogo Figueiredo, retired, brother of former president Joao Baptista Figueiredo and a former DMB chief. ISTOE has discovered that at least one joint venture between the Brazilian QT Metal-Mechanical Company and the Swiss IPF [expansion unknown], supported by the American Codepa [expansion unknown] mining complex, is interested in renting the Engesa factory. "We offered them $1 billion worth of orders for Engesa vehicles and a $500 million guarantee," said Wilson Gianetti, IPF representative in Brazil.

It is known that the military lobby [preceding word in English] is pushing the idea of the rattlesnake tax before Congress and the federal government. One supporter of this lobby is the PT [Workers Party], since the paralysis of Engesa has generated great social problems in Sao Jose dos Campos, whose mayor is from the PT. Nearly 500 employees of the company, which have not been paid for the past three years, are camping at the doors of Engesa. Another 500 dismissed workers did not receive their FGTS [Severance Pay Fund] payments. According to a local metal workers union, one desperate engineer has committed suicide.

Drug Trafficking Leader Escapes From Prison

PY2004163993 Rio de Janeiro O GLOBO in Portuguese 15 Apr 93 p 15

[Editorial Report] Rio de Janeiro O GLOBO in Portuguese on 15 April carries on page 15 a 450-word unattributed article reporting drug trafficker Eraldo Souza da Silva's escape from Ary Franco prison. The article says that "with a haircut, shaved, and wearing a suit and a tie, drug trafficker Eraldo Souza da Silva, known as Rocinha's Eraldo, passed through the front gate of Ary Franco prison in Agua Santa between Monday evening and the wee hours of the day before yesterday. It was the eighth escape from the prison in one month." The article adds that the trafficker "was sentenced to 32 years imprisonment," his escape "had been announced at least four months ago," and his escape "is part of a 'package' of escapes designed by Red Commando leaders serving sentences in Bangu-I and their allies who manage drug trafficking in Rio de Janeiro's hills and ghettos."

Newspapers Interview Colombian Foreign Minister

O ESTADO DE SAO PAULO Interview

PY2004193993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 93 p 9

["Exclusive" interview with Colombian Foreign Minister Nohemi Sanin Posada de Rubio by Roberto Muniz; place and date not given]

[Text] [Muniz] Colombian President Cesar Gaviria told a group of businessmen on 14 April that investing in Colombia was still very feasible. He assured them that the government will end the problems caused by guerrillas, terrorists, and drug traffickers. Do you believe this can be achieved in the short term?

[Sanin] Before I answer your question I want to make something clear. Colombia is much more than traffickers and guerrillas. Colombia has had the best controlled growth rate in South America for the past five years. Our democracy has been stable for decades. We have low inflation and are attending to the needs of the people. The government fights traffickers and guerrilla terrorists with everything at its disposal. The guerrillas have lost credibility because the standard of living of the population is improving. We have already convinced many guerrillas to lay down their arms and return to civilian life. There are some who still resist, but they will be eventually reabsorbed by society. Many important traffickers have been arrested. Others surrendered under the government program of sentence reduction that benefits those who repent. Colombia fights traffickers the hardest.

[Muniz] Some analysts say the Colombian Government will not accept Pablo Escobar's surrender. They say recapturing the head of the Medellin cartel is a matter of honor to erase the bad impression created by his escape (in June 1992). Is that true?

[Sanin] No. All kinds of rumors are circulating about Escobar. Colombia is ruled by laws. If Escobar surrenders he will be treated just like all others who have surrendered before him: By the law.

[Muniz] What can you tell us about the Pepes (paramilitary group that murders Escobar's relatives and friends and attacks his properties)?

[Sanin] I believe in institutions. Colombia does not approve of any private justice system.

[Muniz] Peruvian President Alberto Fujimori earned a lot of domestic and foreign kudos through the capture of Shining Path leader Abimael Guzman. Do you believe Escobar's recapture will have similar repercussions in Colombia?

[Sanin] We fight crime because of the principle involved, not to earn support.

[Muniz] But the reverse is also true: Escobar's escape prompted a lot of criticism.

[Sanin] It was a very hard blow against Colombia's image abroad. Yet it served to show us the great complexities of dealing with traffickers. The pacification policy employed with repented traffickers and guerrillas is working and we have achieved many concrete results. In Escobar's case, the jail system failed. We also made the mistake of underestimating the traffickers capacity for corruption. Many of those involved in the Escobar's escape accepted bribes or helped him through the use of fear.

[Muniz] How will a sudden withdrawal of traffickers' profits affect the Colombian economy?

[Sanin] We do not need one single narco-dollar. The profit to which you refer is not significant in our economy. Narco-dollars merely raise the cost of living.

[Muniz] Do you favor legalizing drug use?

[Sanin] No. People tend to compare cocaine with alcohol and this is not correct. No one sells alcohol at school entrances like they do with drugs.

O GLOBO Interview

PY2004194193 Rio de Janeiro O GLOBO in Portuguese 16 Apr 93 p 9

[Interview with Colombian Foreign Minister Nohemi Sanin Posada de Rubio by Fernando Maia during her official visit to Brazil; date and place not given]

[Text] [O GLOBO] What changes have been implemented in Colombian foreign policy by the administration of President Cesar Gaviria, and which of these changes were introduced by you?

[Sanin] The foreign policy implemented by the current Colombian administration has two goals: First, the achievement of an economic opening. Like all Latin American countries, Colombia employs a protectionist policy. Although this has allowed our country to achieve economic growth, it has been inadequate in helping us resolve other problems in the areas of health, education, and sanitation. Second, we hope to achieve Latin American integration. We hope a wide common economic area will be established in our region before the year 2000.

[O GLOBO] What was the impact of Pablo Escobar's escape on U.S.-Colombian ties?

[Sanin] U.S.-Colombian ties are at an excellent level and feature great cooperation. Pablo Escobar's escape has not affected this situation. We deeply regret Escobar's escape and the escape of other traffickers. We acknowledge the existence of flaws in our prison system, even corruption. The courts are investigating all those who committed crimes and were involved in Pablo Escobar's escape.

[O GLOBO] To what extent does the DEA participate in counter-narcotics operations?

[Sanin] Colombia is a sovereign country and as such implements its own sovereign policies. Like most other countries in the world, we have a drug enforcement cooperation agreement. Through the DEA and Interpol, we have agreements with the United States to grant us logistic support, but it is the Colombian authorities who make arrests and seize drugs.

[O GLOBO] Does the United States conduct patrol operations inside Colombia?

[Sanin] We have international cooperation treaties and agreements. The United States acts within the framework of these agreements. We have important technological agreements, for example air surveillance. The Colombian Armed Forces and police are independent. Not just regarding agreements with the United States, but with other countries as well. The essence of these agreements is that drugs affect not just Colombia, but the entire world. As such, the entire international community must help combat it.

[O GLOBO] What is the situation of the negotiations with Venezuela over the Gulf of Venezuela issue?

[Sanin] We have established negotiating committees composed of renowned political personalities. These committees have worked intensely but until now no agreement has been reached. It is a complex task because the committees must deal with subjects like migration, international rivers, the demarcation of land, sea, and submarine borders.

[O GLOBO] Do you believe these negotiations may have contributed to the two recent military coup attempts in Venezuela?

[Sanin] We are confident that these direct bilateral negotiations are supported by the people. We believe that both nations agree on the need for peaceful solutions to conflicts.

Chile

Interior Minister Clarifies Position on Internal Probes

PY2104212993 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Apr 93

[Excerpt] Upon orders from the president, Interior Minister Enrique Krauss has met with Acting Comptroller General (Miguel Zolar) to convey to him the general willingness on the part of the government and the administration to help clarify any irregular situations in the administration.

The minister reported other details of the meeting.

[Begin Krauss recording] I told him that the position of the president and the government is to avoid leaving such facts unclarified. On the contrary, whoever the

person involved and whatever the action, we would like the comptroller's office to properly fulfill its duty of clarifying the actions and imposing the appropriate administrative, penal, and civil sanctions. [end recording]

The minister said that this is an answer for those who maintain that there is some sort of administrative corruption in Chile. We, he said, categorically deny this, but we do believe it to be necessary to adopt all appropriate measures to prevent these kinds of actions.

[Begin Krauss recording] In our opinion—and our position is endorsed by administrative law experts—corruption involves irregular behavior by public servants and leniency—which has not existed—on the part of the government. [end recording]

Krauss said that internal control mechanisms have been used in each case, and that investigations were conducted. He emphasized that both the Comptroller General's Office and the courts have fulfilled their duties.

The minister said that it was an exaggeration to say that the Investigative Police have a special red alert plan to prevent selective attacks that might be masterminded by the MAPU [United Popular Action Movement]-Lautaro group.

The information that the deputy director of the operations department of the Investigative Police gave me, Krauss said, is that no specific attention has been attached to the subject, contrary to what the press has reported today. [passage omitted]

Environment Preservation Campaign Under Way in Santiago

PY2104191593 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Apr 93

[Text] A total of 560,047 signatures from people who support decontamination were gathered in a campaign sponsored by People's Action for the Environment, within the framework of the "How Are You, Santiago?" program.

The number of signatures surpassed the initially established target, which was 500,000 signatures, and shows the public's growing interest in actively engaging in the preservation of the environment. This statement was made by campaign coordinator (Jimena Abogaville):

[Begin recording] I would say that the most important and meaningful thing of this campaign is that for the first time we worked jointly with the government and entrepreneurs. [end recording]

The campaign was implemented with the cooperation of 284 schools, 22 universities, professional institutions and technical centers, 210 neighbors' boards, 440 social organizations, and more than 60,000 citizens who signed in 120 tables that were deployed on Santiago streets.

President Aylwin will close the program tomorrow.

Aylwin Appoints New Justice to Supreme Court Post

PY2204132493 Santiago Radio Cooperativa Network in Spanish 2300 GMT 21 Apr 93

[Report by Claudio Mendoza]

[Text] President Patricio Aylwin has appointed Judge Guillermo Navas Bustamante, member of the Santiago court of appeals, as Supreme Court justice to replace Justice Hernan Cereceda Bravo, who was removed from office by the Senate. Navas was the most likely candidate of the five presented to Aylwin by the Supreme Court.

Navas, currently hearing the murder case of Independent Democratic Union Senator Jaime Guzman, will be replaced by Judge Marcos Libedinsky.

Navas started his career in the judiciary on 16 April 1952. Fifteen years later he was appointed to the bench and became Supreme Court rapporteur. He was then a member of the court of appeals of Punta Arenas, Valparaiso, and Chillan. In 1989, he was appointed a member of the Santiago court of appeals.

Colombia

Top ELN Leader Arrested in Antioquia

PA2204021193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Apr 93

[Report by Maribel Osorio]

[Text] In an action described as the harshest blow against the Army of National Liberation, ELN, urban guerrillas, the Administrative Department of Security [DAS] arrested Martin Julio Restrepo Arango in the Belen neighborhood. He is the ELN's second in command in Antioquia Department, and the first in command in Valle de Aburra. As top commander of the Luis Fernando Giraldo Willis Regional Group and top leader of the people's militias, he is held responsible for masterminding and carrying out kidnappings, murders, extortion, and stealing war materiel.

In order to be accepted in the militias, youths were asked to obtain explosive devices. Recently, Martin Julio Restrepo Arango was in charge of coordinating the militias and of obtaining weapons for the ELN. His main responsibility was organizing the people's militias to support ELN groups in Valle de Aburra.

Here is Oscar Freddy Paredes, DAS director in Antioquia:

[Begin Paredes recording] He is a top political leader. He was president of the Association of Employees in Antioquia Department between 1968 and 1984; he was in Nicaragua participating in various activities there; and he was in charge of approximately 200 militiamen. [end recording]

Two arrest warrants were issued against Martin Julio Restrepo, 50, alias El Viejo or El Maestro, for rebellion and terrorism. At the time of his arrest, he was in possession of videotapes of military exercises and training, three revolvers, primers, safety fuses, and a notebook describing electric circuits to fabricate bombs.

Congressmen Question Ministers on State Modernization

PA2204031093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 21 Apr 93

[Report by Guillermo Gonzalez]

[Text] The government was seated in the defendant's seat at Congress. The House of Representatives summoned the entire cabinet to question the decrees on state modernization. The ministers defended themselves from the congressmen's attacks.

State modernization continues giving the government headaches. This can be corroborated by the 11 ministers and three deputy ministers, who on the night of 20 April debated for six hours at the House of Representatives. The reason: Once again, congressmen attacked President Gaviria's social policy.

[Begin Liberal Representative Maria Cristina Ocampo recording] We will be seeing advertisements like this: For sale, as is. This will include, for example, all the radio equipment for the diagnosis of cancer, or all the equipment for the treatment of AIDS belonging to the Social Security Institute. How do you like that? We are heading in that direction, because of the Colombian state's policies. [applause] [end recording]

As the debates went on, those present at the Capitol Building began showing signs of weariness. Making a great effort, however, Government Minister Fabio Villegas appeared before Congress for the second time since he assumed his post.

[Begin Villegas recording] If it looks like a duck, quacks like a duck, and walks like a duck, it is a duck—not a chicken. This is not a neoliberal government. It is a government that believes in the state, a government that also believes that the Colombian state must grow much more. [end recording]

After the debate, only one thing was clear: There is still a lot to be said in Congress about state modernization. The government's ordeal has just begun.

Election Council To Resolve Conservative Party Conflict

PA2004044093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 19 Apr 93

[Report by Guillermo Gonzalez]

[Text] The future of the Conservative Party is currently in the hands of a group of magistrates. The National Election Council must decide if the party's leadership will be held by the followers of former President Misael Pastrana Borrero or by the so-called independent congressmen.

The struggle between the two Conservative Party groups is at its hottest point. On 19 April, the Conservative Party National Directorate, which is presided over by former Minister Jaime Arias; and the Pastranist directorate, headed by Antioquia leader Alvaro Villegas, appeared before the National Election Council to present their requests for the magistrates' support:

[Begin recording] [Alvaro Villegas] We have presented to the council our directorate's legal reasons to challenge the decisions made at a meeting held in the Tequendama Hotel on 11 December and to oppose the claim presented by the members of the Board of Directors elected at that meeting that they represent the Conservative Party.

[Conservative Party member Hugo Escobar Sierra] In our opinion, the National Election Council will legally and incontrovertibly have to register and legalize our directorate as the Colombian Conservative Party's representative. [end recording]

The positions held and the large amount of evidence presented by the two conservative groups seems to indicate that the two sides are not willing to budge, which could signify a new schism for Colombian conservatism. The decision is now in the hands of the country's supreme electoral organization.

Foreign Minister Concludes Official Visit to Brazil

PA2104201493 Santa Fe de Bogota EL TIEMPO in Spanish 17 Apr 93 p 7A

[Text] Foreign Minister Noemi Sanin concluded her official visit to Brazil on 16 April with the signing of a sanitary conditions agreement governing the exchange of vegetables and other by-products along the border zone.

While in Brazil, Minister Sanin met with President Itamar Franco, who announced his intention to visit Colombia during the month of December. It was disclosed that during his visit, Franco will sign a complementary economic agreement with his Colombian counterpart Cesar Gaviria.

The Colombian foreign minister and Brazilian Foreign Minister Fernando Henrique Cardoso issued a joint communique in favor of continuing the International Coffee Organization (OIC).

Both foreign ministers pledged to coordinate actions in order to avoid the even more negative economic effects brought about by fluctuations in the international coffee market.

They also agreed to support the search for strategies to jointly integrate to the Free Trade Agreement (Mexico,

United States, and Canada) with the objective of establishing a common pressure front that will favor international coffee prices.

The foreign ministers also agreed to organize a trade ministers meeting in order to expedite the access of Brazilian products to the Andean Pact market, as well as Andean products into the Brazilian market.

Foreign Minister Sanin also participated in the closing of the Third Economic and Technical Cooperation Joint Commission, where an outline is being prepared on the possiblity of the Colombian Coal Enterprise (Carbocol) and the Colombian Petroleum Enterprise (Ecopetrol) exporting to Brazil.

Foreign Ministers Cardoso and Sanin agreed to strengthen the Amazonian Pact (Colombia, Brazil, Venezuela, Peru, Bolivia, Ecuador, Guyana, and Surinam) and expressed their interest in expanding bilateral trade, which already amounts to $450 million annually.

Sanin spoke before the board of directors of the Brazilian Industries State Federation on the economic opening policies under the Gaviria administration.

The foreign minister highlighted the fact that Brazil had become Colombia's third largest trading partner in Latin America, and disclosed that Brazilian goods imported to Colombia increased by 122 percent, the highest of all the South American countries.

Ms. Sanin also expressed her satisfaction with the recent decision to prolong the Partial Reach Agreement [Acuerdo de Alcance Parcial] between both countries until December 1994.

She announced that a meeting between both countries' customs authorities would take place shortly in order to discuss issues related to controlling the sale and export of chemical substances used in cocaine processing to Colombia. The guerrilla and drug- trafficking movement along the Brazil-Colombia border was the main topic discussed between Sanin and Brazilian Justice Minister Mauricio Correa.

Both countries will carry out an inspection along the 1,643 km common border very soon in order to verify, as well as extend, the delimitation boundary markers.

Authorities Recover 750 Kg of Sunken Cocaine

PA2104151493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 Apr 93

[Report by Jorge Cura]

[Text] More than 700 kg of pure cocaine were retrieved from the deep waters off the port of Barranquilla. The drug laid there after a ship sank about a month and a half ago.

The ship, (Sunday), sank off the port of Barranquilla with several containers some 40 days ago. The containers were retrieved on 20 April after several weeks of work, including this container supposedly filled with passion fruit pulp destined for the Mexican port of Veracruz. Authorities found 750 kg of cocaine concealed inside the fruit pulp container. The drug was ready for distribution and has a street value 1.2 billion pesos.

[Begin recording][Cura] The drug was hidden inside a ship that sank and I understand the drug was not damaged.

[Colonel Jose Elver Rojas, identified by caption] Yes, it was inside a sunken ship. After it happened, we set up a special surveillance system, which unfortunately even cost the life of one of our officers. The surveillance operation was later implemented in both the ship and on the wharf. [end recording]

The fruit pulp was loaded in the port of Cartagena. Currently, supervisory operations are being conducted at the Barranquilla seaport because of the suspicion of more drugs in other containers.

The blows dealt to the drug traffickers on the Caribbean coast by the National Police have been strong. A total of 800 kg of cocaine were confiscated in La Guajira on 19 April and now 750 kg have been recovered in Barranquilla.

Paraguay

Pilcomayo River Agreement Signed With Argentina

PY2104182493 Asuncion ABC COLOR in Spanish 21 Apr 93 p 15

[Text] Foreign Minister Alexis Frutos Vaesken, who was here in the Foreign Ministry, and his Argentine counterpart, Guido di Tella, who was in Buenos Aires, yesterday simultaneously signed at 1700 the agreement to continue the talks for settling the dispute on the Pilcomayo River's diversion. The ceremony in the Foreign Ministry also was attended by Argentine Ambassador Raul Carignano while Paraguayan Ambassador to Argentina Dido Florentin Bogado attended the ceremony in Buenos Aires.

Frutos Vaesken and Carignano spoke after the agreement's signing. They emphasized the importance of the agreement that put an end to the conflictive situation in the two countries' diplomatic relations, which lead President Andres Rodriguez to refuse to meet his Argentine counterpart, Carlos Menem, in a ceremony that was suspended last week at the work site of the Yacyreta dam construction project.

After the ceremony in the Foreign Ministry, the next act was released: "The foreign relations ministers of Paraguay, Alexis Frutos Vaesken, and Argentina, Guido di Tella, in the spirit of friendship and cooperation that defines the relations between the two countries, fully ratified the decision of their governments to carry out the necessary work as soon as possible to stop or reduce

the sediment in the Pilcomayo River's lower basin and to correct the undesired effects produced by the experimental work made by common agreement in 1991.

"In this regard they reached the following agreement: 1. The governments of the Republic of Paraguay and the Republic of Argentina commit themselves to making the necessary corrections in the channels opened on both banks to restore the river's natural conditions and to remove the undesired effects of the experience created by the controlled sedimentation process to ensure the normal flow of water and prevent the river's uncontrolled changes in its original bed. Bilateral meetings will be held immediately to establish the necessary actions for this objective.

"To that effect, a request will be made immediately by common agreement for the assistance and cooperation of well-known and high-level international experts. The absence or impossibility of getting the experts' participation will not be an obstacle to making the necessary corrections.

"2. The actions stated in No. 1 will be carried out this year as soon as the river's conditions allow starting the work, conditions that normally prevail in the months of May and June.

"In case the two parties or one of them believes that the corrections proposed are inadequate, actions will be taken in July for the immediate sealing of the channels opened on both banks of the Pilcomayo River to prevent high and low waters from running through the channels.

"3. The governments of Paraguay and Argentina by common agreement will request the appropriate technical cooperation referred in No. 1 of this act, which also will include the holding of joint studies, and work to prevent sedimentation and regression of the Pilcomayo River, especially the technical evaluation of the behavior of the channels opened on an experimental basis. Bilateral meetings will also be held to continue and improve the necessary studies to make the equitable and rational use of water a reality in development projects that, based on the river basin's natural conditions and the environmental impact, will be for the two countries' benefit."

"Signed in Asuncion and Buenos Aires on 20 April in two original copies being both authentic," says the document signed by Frutos Vaesken and Di Tella.

Alexis Frutos Vaesken for the Republic of Paraguay.
Guido di Tella for the Republic of Argentina.

Embassy in Colombia Receives Anonymous Phone Threat

PY2004153793 Asuncion NOTICIAS in Spanish 20 Apr 93 p 15

[Text] Paraguayan Ambassador to Colombia Gerardo Fogel reported in an official note that the seat of the Paraguayan mission in Bogota received an anonymous telephone threat announcing an alleged attack. He added that as soon as the threat was received the pertinent information was given to the Foreign Ministry and the National Police. There was an immediate response from these organizations, which adopted the appropriate measures and tightened security patrols.

The alleged telephone threat occurred over the past weekend and provoked concern within the Paraguayan Embassy, which is located in downtown Bogota. After evaluating Fogel's report, Foreign Minister Alexis Frutos Vaesken limited himself to a "no comment" for the time being. The threat can be attributed to the series of criminal attacks being carried out in Colombia by a powerful group of Colombian drug traffickers.

Journalists Said Attacked by Itaipu Hydroelectric Plant Guards

PY2104011893 Asuncion HOY in Spanish 20 Apr 93 p 2

[Report by correspondent Juan Pio Balbuena]

[Text] Hernandarias—Officers positively identified as employees of the Itaipu Binational Hydroelectric Plant on 19 April attacked journalists Hector Guerin, ABC COLOR correspondent, and Juan Carlos Salinas, a NOTICIAS employee.

The event occurred while the two reporters were taking photographs of official vehicles at the Itaipu airport, where a large number of Colorado Party members were awaiting the arrival of the party's candidate. In addition to the two ill-treated journalists, threats were also made against other members of the media, and the filming of the arrival was obstructed by pushing around Mariano Rivarola, a television cameraman for Channel 8.

According to the ill-treated journalists and witnesses, the incident occurred when Agustin Figueredo and Alejandro Garay, members of Itaipu Binational's security organization and on leave with Itaipu's authorization, observed that Guerin and Salinas were taking photographs of vehicles belonging to public organizations that were parked in the neighborhood of the airport. It was at that time that the angry aggressors closed in on the reporters, and after threatening and insulting them they threw several punches at Guerin. Salinas, who tried to calm down matters, was pushed violently to get him out of the way. Guerin was sent to a hospital in Ciudad del Este for medical treatment.

The security guard Figueredo is a well-known activist for the Colorado Party Precinct in Hernandarias and is a candidate for deputy for the department. He received severe criticism for his actions from all social sectors.

Asked about the incident, Eugenio Sanabria Cantero, vice president of the Colorado Party, stated that an act of violence is condemnable from all points of view. No one has the right to carry out an assault, even less so against persons who are carrying out the job of informing the people of daily events.

Peru

Tanks Withdraw From Jorge Chavez Monument

PA2204150093 Lima Radio Programas del Peru Network in Spanish 1408 GMT 22 Apr 93

[Report by Enrique Vidal from a mobile unit]

[Excerpts] Tanks stationed in front of the Jorge Chavez monument, near Campo de Marte, have been withdrawn, causing a great traffic jam at the corner of 28 de Julio and Garcilaso de la Vega Avenues. Policemen have just waved on traffic going toward Arequipa Avenue. [passage omitted]

Many police officers and soldiers have been detached at the intersection for security reasons. The reason for the armored division members' presence here has not been reported. Approximately 20 tanks were stationed very close to the monument. We will wait for an official report from the Army communications office.

Hermoza Denies Charges on Students' Disappearance

PA2104175793 Lima Global de Television Network in Spanish 0100 GMT 21 Apr 93

[Monitored in progress]

[Text]...documentation to implicate the Army in the disappearance of nine students of La Cantuta, which was reported by General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command and Army General commander, after appearing before the congressional Human Rights Commission.

The renowned issue of [word indistinct] surfaced again when the Democratic Constituent Congress [CCD] commission investigating the disappearance of one [word indistinct] and nine students of the Enrique [word indistinct] La Cantuta reported that Armed Forces members were responsible for such disappearances during the military intervention of 18 July 1992.

The congressional committee had summoned General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command, on two occasions, but he was unable to testify due to personal problems. On 20 April, given the possibility that his statements could help resolve the difficult issue, Gen. De Bari Hermoza appeared before the congressional commission presided over by Roger Caceres Velasquez.

When leaving the Congress building, Nicolas de Bari reported that some opposition congressmen are trying to discredit the Army with false documents:

[Begin recording] [De Bari] Some congressmen have apparently misinterpreted the situation. They erroneously believe that my attitude of respect toward the CCD is giving them blanket approval to trample on and offend the Peruvian Army and Armed Forces, which I represent.

On 20 April, those congressmen once again used false, anonymous, and clearly fabricated documents, which they accepted as valid, to create a plot to damage the Armed Forces. Once again, they mentioned in their report the names of distinguished high-ranking officers, such as Gen. Perez Documet, in an irresponsible manner. This clearly reveals the orchestration of a deliberate and elaborate campaign to discredit the image of the Peruvian Army and expose Army members to criminal actions of terrorism, which those individuals seem to favor.

[Correspondent] Is the country's democratic stability in danger in light of the document you just read?

[De Bari] No sir. The country's democratic stability is not in danger. We want to prevent the country's democratic stability from being endangered.

[Correspondent] As commission chairman, what is your view on the general's statements?

[Caceres] My position is that we, as an investigative commission, cannot discount any element of judgment we may have. No honest investigator would do that. However, I cannot blindly believe in a report of this nature, because it would be like considering it a valid piece of evidence.

It has a value that will be of use in the measure in which the facts can confirm what it states. The investigative commission will meet at 1530 on 21 April to analyze the documents at hand, particularly the statements by the chairman of the Armed Forces Joint Command, and to decide what steps will be taken later in fulfilling the mission we have been given by the Congress plenum. [end recording]

Army Issues Communique Supporting Gen. Hermoza

PA2104181093 Lima Radio Programas del Peru Network in Spanish 1719 GMT 21 Apr 93

["Official Communique No. 6" issued by the Peruvian Army in Lima on 21 April—recorded; read by Division General Howard Rodriguez Malaga, commander of the 1st Military Region]

[Text] The Peruvian Army hereby informs the public of the following:

1. The crass attempt to implicate the Peruvian Army in an alleged human rights violation, by the malicious use of apocryphal documents, prepared by a small group of opposition congressmen, is not an isolated incident. Instead, it is part of a campaign systematically orchestrated for the obscure purpose of discrediting the forces of order both domestically and abroad, reducing their capability to act against terrorism, generating mistrust within the citizenry, undermining the Army's unity and

cohesion, and provoking a sterile confrontation among the branches of the state. In doing so, they are acting as allies of the internal enemy.

2. The Peruvian Army most vigorously rejects the charge of mistreatment alleged by some opposition congressmen, who verbally abused Army General Nicolas de Bari Hermoza Rios who, by virtue of his rank and position, represents and commands an institution of the Republic, and therefore deserves the respect inherent to his position and responsibility.

3. In view of these unacceptable acts, the Peruvian Army publicly expresses its total respect for its commanding general and states that it will not tolerate an attempt to offend the Army commanding general and tarnish the image of our institution, which has paid a high price in lives lost, dedication, and sacrifice in the struggle to achieve national pacification.

In this regard, the least that can be asked are minimal guarantees of the physical safety of military personnel.

4. Finally, the Peruvian Army manifests its disciplined subordination to the president of the Republic and supreme chief of the Armed Forces, as well as its resolute support for the measures that the president is taking to rebuild the country.

[Issued] Lima, 21 April 1993

Fujimori States Support for Hermoza

PA2204043893 Lima Global de Television Network in Spanish 0121 GMT 22 Apr 93

[Text] President Alberto Fujimori has asserted that he supports the commander of the Armed Forces Joint Command. He also said the Armed Forces will continue to investigate the case [of nine students and one teacher, who are missing].

[Begin recording] [Fujimori] I have heard General Hermoza's statements when he firmly stated his position. Nobody has the right to tarnish the image of an institution that is working in favor of the country's pacification. The Armed Forces actions to bring peace to the country are not harmless operations: it has already cost the institution several hundred lives. Thus, I believe institutions such as the National Police and the Armed Forces deserve the support of the citizens and government branches.

[Unidentified reporter] The charges against a group of congressmen, however, will jeopardize good relations.

[Fujimori] I do not know where the trouble started, but I do believe there should be mutual respect. Congressmen deserve respect and Armed Forces personnel, who risk their lives for the country, deserve respect even more.

[Reporter] Regardless of the situation, we have to confront the fact that nine students and a teacher have disappeared. Do you not believe the situation should be clarified and that the Army should give all its support?

[Fujimori] Of course. The Army is helping and cooperating to clarify the case. Gen. Hermoza believes, however—and I agree with him—that there is no reason to discredit the Army. The Armed Forces are doing an extraordinary job to pacify the country.

[Reporter] Do you believe the opposition sector has gone too far in [words indistinct] in regard to this matter? How would you evaluate this?

[Fujimori] Disagreements have to be expressed in a frank manner, but always with due respect. I repeat, attempts to detract from the work and integrity of the Army, the one institution that works to further the country's pacification, are unacceptable. [end recording]

CCD Parties Respond to Hermoza's Statements

PA2204042793 Lima Global de Television Network in Spanish 0100 GMT 22 Apr 93

[Text] The minority at the Democratic Constituent Congress [CCD] has replied to the 20 April statements by Nicolas de Bari Hermoza Rios, chairman of the Armed Forces Joint Command, and to an Army communique issued on 21 April denouncing an opposition- orchestrated campaign to discredit the Armed Forces and limit its operational capabilities to fight subversion.

Representatives of the Popular Christian Party [PPC], Independent Moralization Front, Democratic Coordinating Group, Democratic Left Movement [MDI], Agrarian Independent Movement, National Workers and Peasants Front, and Solidarity and Democracy [Sode] called a permanent session that lasted several hours during which there was a strong rumor of a possible withdrawal from the CCD working commissions and even from the CCD itself.

However, they only issued a communique pointing out the seriousness of Hermoza Rios' statements because of their political nature. They described his statements as false and threatening.

[Begin PPC Congresswoman Lourdes Flores recording] The defense minister, as the person responsible for the political actions of his sector, must give immediate explanations warranted by the issue at hand. [end recording]

Afterward, Sode Congressman Manuel Moreyra read a letter that was given to CCD President Jaime Yoshiyama urging him to demand respect for CCD jurisdiction and investigative work. They demanded a plenary meeting to discuss measures that need to be approved to face what they describe as an offense. Yoshiyama did not give a definitive answer. He argued, strangely, that he did not know what had transpired and promised to analyze the details and issue an opinion in the next few hours. If he fails to adopt an attitude contrary to the one the opposition wants, the possibility of a CCD closure will exist.

[Begin recording] [MDI Congressman Julio Castro] All our political organizations will receive a detailed report on the developments, will evaluate them, and make decisions that we will implement.

[Unidentified reporter] Are you considering a withdrawal from the CCD?

[Castro] That is a possibility, because a Congress that lacks independence and sovereignty; a Congress that is subjected to the pressure of military authorities would not be recognized as a democratic Congress anywhere. [end recording]

CCD Deputies Hold News Conference

PA2204142293 Lima Panamericana Television Network in Spanish 1225 GMT 22 Apr 93

[News conference by Carlos Torres y Torres and Dr. Henry Pease, deputies to the Democratic Constituent Congress, CCD, on allegations by General Nicolas de Bari Hermoza, Armed Forces Joint Command chairman, that political groups are trying to destabilize the Armed Forces in Lima; date not given—recorded]

[Text] [Pease] The Armed Forces Joint Command chairman's political statements are critical because the Constitution does not allow him to make political statements. I will not start an argument with him, but I will not allow him or anyone else to say that I or any parliamentary member is involved in a conspiracy with terrorist groups to tarnish the Armed Forces' image. I remind the country that I treated the document as a working hypothesis and did not endorse it. I stated this at a plenary session. I did not mention a single officer's name, and I did not even mention that it involved the Army. I simply said it involved a military institute. I was extremely careful because I am a CCD member. I am responsible for what our Armed Forces are and what they need. Those statements offend me and damage the country tremendously at a time when the international community criticizes not only the human rights problem but also the CCD's autonomy. What will people think when the Armed Forces Joint Command chairman threatens the CCD and treats CCD members this way? This is politically unprecedented and must be debated at the CCD. That is why we have summoned the defense minister, the only one who has political responsibility. He must come here and ratify or rectify what Gen. Hermoza has stated. We have a recording of his statements.

[Torres y Torres] The real issue here is that everyone must respect the institutions. The Armed Forces must respect the CCD; the CCD must respect the Armed Forces, and so forth.

[Correspondent] An investigating commission...

[Torres y Torres, interrupting] Let me make things clearer. This means we must respect each others functions, and we must let statements be made against institutions, such as the Armed Forces, without clearly specifying, without having the evidence to support such statements. The investigations continue, and Gen. Hermoza never said that an investigation should not be conducted. He personally came to the CCD to present a report because he respects our institution, and he will come as many times as necessary. The statements that have been given are a different thing.

[Correspondent] Who made the statements?

[Torres y Torres] Certain politicians who destabilize the situation of respect toward the country's institutions.

Congressional Opposition Communique Noted

PA2204140393 Lima Panamericana Television Network in Spanish 1200 GMT 22 Apr 93

[Text] Opposition Congress members reacted to a recent Army pronouncement related to charges made by General Nicolas de Bari Hermoza by issuing a communique of their own. In their communique, the opposition Congress members demand full respect for the autonomy of Congress and demand the presence of Defense Minister Victor Malca Villanueve to explain the incidents.

[Begin Popular Christian Party Congressman Antero Flores Araoz recording, in progress] ...this is a rather serious matter when the commanding general of the Army decides to issue a declaration that can be considered political, and which exceeds his constitutional mandate, as well as to want to question Congress' right to conduct investigations. In no way does any action taken by Congress entail a wish to tarnish either the Army or its members. Likewise, we reject these statements as false since it asserts that a small group of opposition Congress members are involved in a systematic campaign to smear the forces of law and order. Neither are we in any way associated with the internal enemy.

6. The defense minister, since he is politically responsible for his sector must provide a full explanation of the issue.

7. We ratify our firm decision to continue to struggle against subversive terrorism with all our energy and within the boundaries of respect for the law. In addition, we maintain our unalterable decision to direct the country to a path of democracy always searching for national pacification under the banner of justice.

[Issued] Lima, 21 April 1993

Signed by the opposition forces represented at the Constituent Democratic Congress.

Fujimori Urges Community Not To Pay Protection Money to 'Terrorists'

PA2104192893 Lima Global de Television Network in Spanish 0100 GMT 21 Apr 93

[Recorded advertisement featuring President Alberto Fujimori urging the community not to pay protection money to terrorists]

[Text] [Unidentified victim] I have been threatened by terrorists and they forced me to pay them protection money. I am concerned about my life and that of my family.

[Announcer] Do not finance destruction! Terrorism is crumbling. Do not cooperate! We must eradicate terrorism completely.

[Fujimori] My government will support you and protect you. Do not pay protection money and do not risk suffering a long sentence. Report terrorists! You and I are going to win this war. Only by doing so will we have opportunities.

Change 90 Member Says Congressmen in Collusion With 'Terrorists'

PA2104214493 Lima Radio Programas del Peru Network in Spanish 1800 GMT 21 Apr 93

[Report by Eduardo Lindo]

[Text] Carlos Torres y Torres Lara, Change 90 New Majority Movement Coalition member and first vice president of the Democratic Constituent Congress [CCD], has commented on General Nicolas de Bari Hermoza Rios' 20 April remarks. Concerning the disappearance of nine students and one professor from the Enrique Guzman y Valle University, also known as La Cantuta, Gen. Hermoza said some congressmen are in collusion with terrorists.

[Begin recording] [reporter, in progress] ...was available for an inquiry. Does this mean some deputies are colluding with terrorists?

[Torres] I do not necessarily agree with such a concept. I do say, however, that it denotes a serious lack of responsibility to present documents containing groundless charges.

[Reporter] [words indistinct]

[Torres] Of course. If a congressman presents a document allegedly stating the truth, the least the CCD can do is to create a commission to conduct an investigation. If the commission determines the document does not state the truth, and so far it does not appear to, it is necessary to continue the investigation. This is what the commission was created to do.

[Reporter] What about the Joint Command chief's charges against certain congressmen?

[Torres] The document does not appear to be serious. If a person on the street brings me a document reporting on irregularities, I cannot present it to the plenum as if the charges have been proven. I must investigate.

[Reporter] In other words, Hermoza's accusations are justified.

[Torres] Well, it is necessary to assess his opinion. I am not familiar with the details because I am not a member of the commission. I can say, however, that it is not only his right but his duty to defend the Armed Forces, particularly at a time when all Peruvians must be united to fight an internal war. [end recording]

CCD Approves Article on Judges' Appointment, Promotion

PY2004201593 Lima EL PERUANO in Spanish 1 Apr 93 p A3

[Text] From now on the National Council of Magistrates and District Councils will be exclusively responsible for the selection, appointment, and promotion of judges. All possibility of political interference by the executive or legislative branches in the designation of judges is thus eliminated.

The CCD [Democratic Constituent Congress] Constitutional Committee last night approved Article 17, Chapter V on the appointment and promotion of judges, which states that the National Council of Magistrates and District Councils will have the power to appoint judges, except for those winning their positions through elections.

Article 17 establishes that the National Council of Magistrates will be fully independent, and will operate in accordance with its own Organic Law.

Some legislators said that in the future the people will be able to elect justices of the peace, something that is within the government decisionmaking democratization process and current efforts to depoliticize the judicial branch.

The Constitution Commission also approved the requirements to become a judge as contemplated in Article 19 of the same chapter. These requirements are: to be a Peruvian by virtue of birth, a free citizen, an attorney, and to have studied at the Academy of Magistrates.

Supreme Court justices and elected judges might be made exempt from having to fulfill these requirements.

The debate on Article 16 was postponed. This article establishes that the Supreme Court can ask Congress to delegate its prerogative to legislate to the Supreme Court. The Supreme Court will then be able to issue legislative decrees in matters that are proper and related to its jurisdictional and institutional activities, for a period that will be specified in the Authorization Law, and with the condition that Congress be kept informed.

World Bank Grants $250 Million Credit for Privatization

PA2104163893 Lima Global de Television Network in Spanish 0100 GMT 21 Apr 93

[Text] The World Bank has granted Peru a $250-million credit line to support the privatization process. World Bank directors, who met on 20 April in Washington, praised the economic program implemented by the government and stressed the importance of supporting the stabilization and structural adjustment effort being made in Peru. They termed this process an example for the economies of developing countries.

Venezuela

Defense Minister Says Cutbacks Not To Harm Security

PA2104135393 Caracas Venezolana de Television Network in Spanish 2350 GMT 20 Apr 93

[Text] Defense Minister General Ivan Dario Jimenez Sanchez said today in the Miraflores Presidential Palace that the cutback in additional credits under the umbrella law will not affect the government's defense and security plans. When questioned by reporters about the arrest warrant against Vice Admiral Ivan Carratu Molina, the defense minister said he has still not received the official communication from the Supreme Court, which is why his office decided to take action. Nevertheless, he said, since 17 April, Vice Admiral Carratu Molina has been presiding over a military delegation that is on an official visit to Chile.

[Begin Jimenez recording] I believe that when you asked the question I said that as soon as I received the required order we would abide by the Supreme Court decision. Up to now, we have not received any communication. No arrest warrant has been issued because we have not received the required notification; all I have is what the media has reported. [end recording]

Street Demonstrations, Strike Threats Resurge

PA2104174793 Paris AFP in Spanish 1637 GMT 21 Apr 93

[Text] Street protests and strike threats have heightened in Venezuela with the occupation of Los Teques Legislative Palace, 20 km west of Caracas, on 21 April; street violence in San Felipe, 160 km southwest of Caracas; and a bomb threat at Valencia Hospital, 100 km west of Caracas.

University students marched to protest, while city bus drivers threatened to go on an indefinite strike at midnight on 22 April if the Caracas Mayor's Office does not approve a 25 percent bus rate increase.

A strike by 9,000 tribunal workers began on 21 April to demand a new collective bargaining contract that respects their rights. This has caused 39,000 court cases that are pending to be left on hold, according to official spokespersons.

The government of Social Democrat Carlos Andres Perez, which overcame a strike by oil workers on 19 April, also faces a strike threat by teachers and health workers, who are also demanding wage increases.

Caracas urban transportation workers went on strike from midnight on 12 April to noon on 14 April, pressuring leftist Caracas Mayor Aristobulo Isturiz to authorize the bus rate increases.

Isturiz submitted the case to 24 Caracas council boards, which rejected the increase, making the possibility of a new transportation strike imminent, the papers reported.

There were violent student demonstrations on the night of 20 April to protest the possible bus rate increase in Caracas. Students of the Central University of Caracas hijacked five buses to force bus owners to negotiate with them and with neighborhood boards, spokespersons have reported.

Violence spread to Los Teques, where approximately 100 students have erected barricades and to the city of Guarenas, 25 km to the east.

Tense calm prevailed in Caracas on the morning of 21 April. Police security was beefed up because of the student and bus driver demonstrations. Groups of students and teachers occupied Los Teques Legislative Palace in the capital of Miranda State, east of Caracas.

At the same time, students staged street disturbances in San Felipe.

Private Caracas radio and television station reported at noon on 21 April that there had been a bomb threat at the Childrens' Hospital in Valencia. Police went to the hospital but it turned out to be a bomb scare.

Agreement Reached on Mass Transit Fares in Libertador

PA2104184793 Caracas Venezolana de Television Network in Spanish 1550 GMT 21 Apr 93

[Text] The mass transit fare increase will not exceed 2 bolivares in Libertador Municipality in 1993, Mayor (Aristobolo Isturis) said as he left a meeting with members of community boards to agree on specific proposals on the matter. Another decision reached during the meeting was to allow increases again in June, although fares will be frozen during the first quarter of 1994. The mass transit fares will then be revised. The Central Organization of Independent and Company [Por Puesto] Drivers is expected to respond today to the fixed rates that Libertador Municipality established for the metropolitan zone.